

British auto union leaders claim it couldn't happen in Germany

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Recent comments in the British press by Unite union joint general secretary Tony Woodley give the impression that German workers are being treated better by their employers than their UK counterparts.

Following the recent sacking of agency workers at BMW's Cowley plant, who were effectively given just one hour's notice that they no longer had jobs, Woodley said, "BMW's parent company couldn't attempt this in Germany because it would be illegal to do so."

Woodley's complaint was directed against a joint struggle by British and German autoworkers in defence of their rights. Instead, the trades unions argue that the economic crisis means that each national group of workers should look to their own interests, which they identify with those of big business.

Temporary and agency workers in Germany do enjoy some protections compared to those employed under similar conditions in British plants. However, this is entirely relative and these workers are always the first to be thrown onto the scrap heap, with the acquiescence, if not the active assistance, of the unions.

German autoworkers are among the hardest hit by the recession currently gripping the country.

There has been a major extension of so-called "short-time working," where workers are sent home for extended periods on considerably reduced pay. In November 2008, some 135,000 workers were officially on short-time working. According to the Bundesagentur für Arbeit (BA, Federal Labour Agency), in January alone employers registered 290,600 on short-time working in some 10,600 workplaces. The cumulative figure for those on short-time working since October 2008 now stands at 774,600, affecting some 23,300 workplaces with the auto industry, engineering and metalworking industries being particularly hard hit.

Of these, 2,000 factories in Baden-Württemberg count for 55,000 of the newly registered short-time workers, a result of the massive cut back in production at auto manufacturers in the Stuttgart area.

The German auto industry employs around 750,000 including 330,000 in the parts chain. Many of these jobs are now seriously at risk, as the major auto manufacturers send workers home, as a prelude to mass sackings and factory closures.

BMW has placed 26,000 workers on short-time working, affecting 25 percent of its workforce. The company is throttling back production in February and March, producing 38,000 less cars.

Short-time working will continue at BMW's Dingolfing plant. The factory was closed for production last week, and is set to remain closed this week. In March, it looks increasingly likely that all shifts on Friday will be cut, as well as the afternoon shift on Wednesdays and Thursdays.

In November last year, BMW in Leipzig sacked 500 agency workers, with VW, Daimler. Many other companies also shed temporary staff last autumn, including 5,000 at auto parts supplier Continental and 3,400 at truck manufacturer and engineering company MAN.

Daimler has placed 50,000 on short-time working, with 20,000 sent home in Sindelfingen and 10,000 at the firm's main plant in Stuttgart Untertürkheim, where a four-day week will apply until the end of March, with some workers being placed on a three-day week.

At Audi, short-time working is planned from February 20 to 27, which will affect 25,000. Ford is planning further short-time working at its plants in Cologne and Saarlouis. MAN has placed 9,400 on short-time working.

For the first time in 25 years, Volkswagen is

introducing short-time working. From Monday this week, VW halted production at several plants, including its Wolfsburg headquarters, affecting 61,000 workers, with union representatives on the Betriebsrat (Works Council) agreeing to the short-time working.

Opel, GM's German subsidiary and one of the country's largest auto manufacturers, halted production again for a week in February, after workers had already faced an extended Christmas/New Year break. Opel is facing bankruptcy in May or June, as it lacks some €3.3 billion, threatening up to 25,000 jobs directly with tens of thousands more in the supply chain and ancillary industries also at risk. According to economic expert Michael Fuchs of the Christian Democratic Union, "Bankruptcy cannot be avoided."

The unions claim that accepting short-time working helps avoid job losses. In reality, such measures are just the first stage to introducing mass sackings and factory closures, as the comments of several leading economics experts make clear.

According to Kai Carestensen from the Ifo Institute for Economic Research, "Many firms are now implementing short-time working. We forecast that there will be a large jump in unemployment from the summer," adding that one in four employers is currently seeking to shed jobs. The Institute for Management and Communication (IMK) fears that as the year progresses, "short-time working will turn into mass sackings."

Unemployment in Germany rose by 387,000 in January to nearly 3.5 million, or 8.3 percent of the working population. Some are forecasting an even worse picture for 2010, with unemployment reaching 4.3 million as firms fail to extend temporary contracts, which above all will hit agency workers, according to the German Economics Institute (IW).

In a press statement, BA chairman Frank-Jürgen Weise said that "the downturn had now hit the jobs market. The three most important indices are negative: unemployment is rising, for the first time the number in work has declined and the demand for labour is now falling drastically."

Before the onset of the present crisis, German corporations, and foremost the auto manufacturers, were raking in record profits. They were helped in this by the unions and the Social Democratic Party (SPD).

When the SPD led the federal government, under

Gerhard Schröder, it introduced new laws encouraging "flexible labour" and cutting back on benefits, particularly for the unemployed. At the same time business taxes were cut and measures introduced to lower so-called "subsidiary employment costs," reducing contributions made by employers to social insurance and retirement programmes.

In tandem, the unions played a treacherous role in undermining workers' pay and conditions, selling out a number of bitter strikes and disputes, leading to a decline in real wages, particularly for those in lower income brackets, over the last decade. According to a study by the Institute for the Study of Labour (IZA), "in the 1990s and early 2000s, i.e. after reunification, real wages continued to rise at the top, but started to decline for low income groups."

The undermining of permanent jobs, pay and conditions was also facilitated by a massive growth in temporary and agency working, with the number of such workers more than doubling from 2003 to 2008 to over 730,000. This again was sanctioned by the unions, as they abandoned any pretence of being the representatives of labour in Germany's highly corporatist industrial relations system of Works Council, and increasingly functioned as co-managers.

Now that agency workers are beginning to be sacked, like their UK counterparts, the German unions are doing nothing to mobilise a joint struggle by all workers in defence of all jobs and against factory closures.



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