

IG Metall union sells out German contract workers

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A new collective wage agreement for the 250,000 temporary workers in the German metalworking and electrical industries will be implemented on November 1, 2012. According to the IG Metall union, the contract agreed with the Federal Employers' Association of Personnel Services (BAP) and the Association of German Temporary Employment Agencies (IGZ) represents a model applicable to other industries.

In the words of the IG Metall chief negotiator Helga Schwitzer, the result is an “important step towards fair pay for temporary workers.” Schwitzer says that a key objective of improving the conditions of temporary workers in the metalworking and electrical industries has been achieved.

None of this is the case. Among other passages, the agreement states: “[If] there is no factory-level agreement covering temporary working, after 18 months it will be checked whether a contract worker can be taken on permanently. After 24 months full employment becomes obligatory.”

Such promises are absolutely worthless. All a temporary employment agency has to do is hire out the worker to a different company for a few days in order to sidestep the regulation stipulating they must be hired as full-time workers.

The same applies to the agreed wage increases of 15 percent after six weeks and up to 50 percent after nine months. Just a brief stint in another establishment and a temporary worker has to go on working with no wage increase at all. The payment of just €300 holiday and Christmas bonuses requires a continuous employment period of at least three years—which is almost never achieved.

The collective agreement does not mention “service contracts” at all, even though this is the way in which many employment agencies promote wage dumping,

i.e., a competitive race to lower labour costs. The other arrangements agreed—such as a clause allowing the company to apply special rules in case of “economic difficulties”, or the five-year term of the collective agreement—show that the IG Metall has kept to its course regarding temporary workers. While posing as their “advocate” the union continues to stab such workers in the back.

The IG Metall started this course in 2004. At that time the Social Democratic Party-Green Party government introduced the Agenda 2010 welfare and labour “reforms”, and was faced with the problem that European law called for the equal treatment of agency workers and permanent employees. The German Temporary Employment Act (AÜG) even had to be amended accordingly by the SPD and Greens.

There was only one way to get around this legislation: unions had to be willing to conclude collective agreements in which they signed up to less favourable conditions for temporary workers. That is exactly what the Christian Trade Union Federation for Temporary Employment and Personnel (CGZP) and the IG Metall did. Even though there were barely any temporary workers in their ranks, both unions offered themselves to the employers' organization AMP as contract partners and signed up to collective agreements that severely disadvantaged agency workers.

Without these agreements the legal provisions of “equal pay and equal treatment” would have been in force since 2004. Hiring out workers commercially would be significantly less profitable and the industry would never have become as successful as it presently is. The German Trade Union Federation (DGB) and CGZP have enabled the rise of temporary working through their collective agreements, and have thus

actively contributed to splitting workers into different wage and employment categories.

What these differences look like was shown by TV journalist Steffen Clement in a report for broadcaster *Hessischen Rundfunk*. This year, an assembly line worker on the permanent staff at Audi in Ingolstadt is paid an hourly rate of €18.46. On top of this, he gets holiday and Christmas bonuses, a performance bonus of €8,000 and joins the company pension scheme. His annual gross income amounts to €46,000.

An agency worker at the same plant receives €16.14 per hour, lower Christmas bonuses, no performance bonus and is exempt from the company's pension scheme. His annual gross income runs below €30,000.

The situation is similar with white-collar employees. An office worker on the permanent staff receives €4,000 a month plus holiday and Christmas bonus, performance bonus and belongs to the company's pension plan, which amounts to a gross salary of €60,000. An office employee hired as an agency worker for the same position receives €3,100 per month, less Christmas and holiday pay, no performance bonus and no company pension.

The situation is even worse for temporary workers who are employed under a "service contract." They work at a fixed price and receive no payments beyond their wages. Audi refuses to say what these workers are paid. The factory committee, which includes union functionaries, also keeps silent about the arrangements because such service contracts are not usually made "by the personnel department, and so fall outside their responsibility."

The situation is worst of all for agency workers with "service contracts." They receive an hourly rate of €7.79, no extra payments, no pension and no performance bonus. Their projected gross annual income is €16,000 or 67 percent less than the regular workforce receives.

The responsibility for these divisions lies mainly with IG Metall. From the very outset, the betrayal of contract workers was aimed at creating a workforce of brutally exploited and low paid workers to protect company profits from the effects of a worsening crisis. It is also aimed at pitting workers against each other and clearing the way for the major industries to purge many of their high-paid workers. The dismissal of 70,000 workers since last autumn underscores this.



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