

Amazon workers strike in Germany

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Last week, about 1,000 workers went on strike at the Bad Hersfeld and Leipzig sites of the world's largest Internet mail-order company, Amazon, in Germany. Initiated by the Verdi service industries trade union, it was the first strike to be held since Amazon opened in Germany in 1998. Token strikes had been launched at some of the company's sites last April.

Verdi called the strike in response to a major scandal that broke out at Amazon, and is trying to help management reach a squalid compromise as soon as possible.

In early February, the ARD television channel broadcast a report on the exploitation of foreign temporary contract workers employed at Amazon's warehouse in Bad Hersfeld in the state of Hesse. The workers, many of whom came from crisis-ridden countries such as Spain, Romania and Hungary, were reportedly lured to Germany with false promises of decent wages. The job contracts were said to have been withheld until the workers reached Germany, where many of them signed up without understanding their commitments, because no translation was made available.

Instead of directly working for Amazon, the workers were first engaged by a German temporary employment agency. In this way it was possible to arbitrarily fire them within 24 hours' notice and send them back to their home countries. Many workers often had to work for weeks at a time without a break.

They were allegedly placed in overcrowded quarters where they were constantly searched and controlled by company guards. Searches of the separate flats of the workers were also said to have been made in their absence. Reporters of Radio Hesse revealed that one of the security firms, H.E.S.S. Securities, had "many connections" with the extreme right-wing milieu. Rudolf Hess (Heß) was the name of Hitler's deputy. Many of the guards wore demonstrably Nazi symbols.

During the 2012 Christmas season, some 5,000 foreign contract workers were employed at Amazon's German branch under conditions of what one reporter called "modern slavery"—more than 2,000 of them at the Bad Hersfeld warehouse alone.

The scandal soon caused an uproar and Amazon came under strong public pressure. Many politicians felt compelled to criticise Amazon verbally; these included Ursula von der Leyen, labour minister (Christian Democratic Union, CDU), and Hesse's Prime Minister Volker Bouffier (CDU).

Frank Martin, head of the Hesse employment agencies, also said he was "worried" because the revelations at Amazon would raise questions about the legitimacy of how foreign workers are recruited to aid the German economy. The temporary workers at Amazon were officially recruited by employment agencies throughout Europe.

Amazon has for years systematically practised so-called wage dumping (*Lohndumping*) and used Germany's unemployed as an unpaid labour force. Mediated by the employment agency, workers are "incorporated" into the warehouses for a limited period without any pay, and then dismissed. The employment agency punishes any worker who refuses to work for Amazon by reducing their benefits.

Verdi and its works council members have known about this for years. But they have done nothing about it until now, because they themselves are deeply involved in creating an industrial sector with working conditions like those at Amazon. It was only recently revealed that leading Verdi functionaries are actively engaged in organising temporary contracts in a big way (see below).

Although the same conditions very likely prevail at all of Amazon's sites, Verdi limited the strike last week to the Bad Hersfeld and Leipzig depots. For workers employed there, the union is seeking a collective

agreement, vacation and Christmas bonuses, as well as some awards that are standard for the industry.

None of the Amazon sites has so far participated in a collective agreement. Amazon sets wages unilaterally, basing its calculations on the tariff agreement for the logistics sector, where poverty wages of between €9.65 and €10.50 (US\$12.50-\$13.60) per hour are paid. Workers at Bad Hersfeld have not received a wage increase for seven years—and Verdi has never done anything about it.

Verdi wants Amazon to accept it as a bargaining partner. The company has so far also spurned Verdi's offer to negotiate a special Amazon tariff agreement.

Amazon in Germany employs a total of approximately 9,000 workers in Graben near Augsburg, Bad Hersfeld, Leipzig, Rheinberg, Werne, Koblenz and Pforzheim. But this figure is subject to strong fluctuations. For example, fewer than 10 percent of the 3,300 employees at Bad Hersfeld had a permanent job in late 2012, according to the works council. The rest were contract workers from all over Europe or other precarious workers. The ARD channel also reported that 3,100 of the 3,300 employees at the depot in Koblenz were contract workers.

During the strike on Tuesday, Verdi representatives made it clear they have no plans to organise a serious struggle. Nicole Püschel from the Leipzig strike committee explained that they had no intention of “wrecking” the business and only wanted to “send a signal.”

The effects of the industrial action seem to have been minimal. On Wednesday of last week, an Amazon spokeswoman concluded that the strike had had “no effect on deliveries” in Bad Hersfeld or Leipzig. At the same time, an analyst at a London consulting firm reassured readers of the *Financial Times* that Amazon “will not be damaged by a one-day strike.”

Rage within the Amazon workforce meanwhile increased. This was evident in the vote in late April, when 97.6 percent of union members voted for industrial action.

It is quite possible that the protest Verdi is organising at Amazon is a harbinger of further attacks on the workforce, and signifies closer cooperation between the union and management. In the third quarter of 2012, Amazon reported a loss of US\$274 million. On February 21, shortly after the exposure of the

temporary workers scandal, statements were made in a similar vein by the German head of Amazon, who called for the establishment of works councils at all the sites and praised the principle of co-determination.

According to a report on the LeakLeiharbeit initiative's web site in March this year, the union-affiliated DAA Foundation for Training and Jobs employs temporary workers on a large scale. The DAA is the former training institute of the German Salaried Employees' Union (DAG) that merged with Verdi in 2001. Head of the foundation is Gerd Herzberg, who was deputy national chairman of Verdi until September 2011. His deputy in the three-member DAA executive board is Dina Bösch, currently a member of the Verdi federal executive, where she is responsible for corporate co-determination and trade union education. A total of six Verdi members have seats on the foundation's nine-member board of trustees.

On its web site, the foundation advertises its services with the words: “We provide the right employees ... and you pay only for the work done. You avoid all compulsory employer contributions, e.g., for continued sick pay or vacations. This will save you the time-consuming and tedious tasks of finding, selection and recruitment of staff.”

Overall, the foundation has access to more than 80,000 trained workers who are paid in line with the collective agreement of the Association of German Temporary Work Firms (iGZ), a member of the Confederation of German Trade Unions (DGB). For a single person, this amounts to an hourly wage of €8.19 in western Germany and €7.50 in the east of the country.



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