

# German city gives municipal clinic away to private operator

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The Offenbach town council has sold the municipally owned clinic to the Sana corporation for the symbolic price of one euro. The deal has left the public treasury with a debt of three hundred million euros. At the town council meeting of May 2, the governing coalition of the Social Democratic Party (SPD), the Greens and Independents, as well as the opposition Christian Democratic Union (CDU) and Liberal Democratic Party (FDP), voted to hand over 90 percent of the clinic to Sana. The municipality retains a ten percent share, but is no longer represented on its supervisory board.

Sana Kliniken AG, based in Bavaria, is Germany's fourth largest private clinic operator. It will take over the Offenbach clinic on July 1 pending approval by the Federal Monopolies Commission. Sana chair Michael Philippi indicated his company might shore up the short-term position of the clinic with an infusion of €25 million. At a press conference on May 2, he insisted the clinic attract more patients, saying, "We will have more fun, when significantly more patients from the region seek out the clinic".

He also announced that Sana would bring in new management and further reduce the number of employees at clinic. In other word, he intends to turn the clinic into a profitable enterprise at the expense of the workforce and the patients.

Nurses, doctors and other clinic personnel have already made many sacrifices. At the behest of the works council and the Verdi trade union, the workforce has given up concessions totalling millions of euros based on the claims this would prevent privatisation.

The workers who were forced to make ever greater sacrifices even though nurses, clinic support staff, ambulance drivers are relatively low-paid positions. "Work in the caring professions: interesting, highly onerous and often poorly paid", is the conclusion of a

new study by the Institute for Social Science (WSI), which further notes, "working in care is very stressful and often very physically exhausting".

The pressure on the workforce at the Offenbach clinic has increased enormously over recent years, especially since the construction on a new building began in 2010. In preparation for privatisation, a new seven-story building was constructed, costing over €200 million. To that end, employees were forced to forgo one percent of their wages.

In August 2011, the municipal authorities, clinic management and the works council, together with the Left Party and Verdi, announced a restructuring plan. They hired Franziska Mecke-Bilz, a manager from the Vivantes private clinic operator in Berlin, who introduced sweeping cost cutting measures, including slashing jobs and abolishing "unprofitable" services.

The takeover was prepared in such a way as to benefit Sana and increase the value of its owners' portfolio. Sana AG is owned by 31 private health insurance companies, including Allianz, DKV, Signal, Continentale and Deutscher Ring. It operates 48 hospitals in thirteen of Germany's *länder*, or states, as well as twelve old people and care homes.

The number of private clinic operators in Germany has doubled over the last years. Fifteen years ago, the SPD-Green Party federal government introduced new laws opening up the lucrative health services market. Since then, companies such as Sana, Rhön, Helios and Asklepios have captured the market and made high profits, while conditions for employees and penniless patients have worsened.

Under these conditions, it is no consolation that Sana has promised to respect "initially" the existing contract governing pay and conditions. This ploy has been in used in previous takeovers. Workers at the Lübeck

Clinic, sold for a song to Sana in 2002, took an estimated 30 percent cut in pay. Employees working in cleaning, catering, transportation and security services were sacked and then re-hired in their old jobs for a third less pay. Others had to transfer to Sana subsidiaries, working for worse wages.

Many of the 2,300 clinic employees in Offenbach are anxious about the takeover. Several nurses told the *World Socialist Web Site* that many of their colleagues had already left the company as soon as they found a job elsewhere. “No one here is expecting anything from the future”, said one, who has worked at the clinic for almost twenty years.

Despite this, Verdi union officials are trying to put a positive spin on the situation, and present Sana as a “socially-engaged” company. Holger Renke, works council chair at the Offenbach Clinic and a member of the Verdi district executive in Offenbach, told the press he wanted to sit down with the new owners as soon as possible. Six months ago, Renke, who also sits on the Clinic’s supervisory board, rejected holding a referendum on the privatisation, saying this would only accelerate the bankruptcy of the clinic.

Events in Offenbach, once an industrial metropolis at the gates of Frankfurt, are in line with the actions of many other city and town administrations. Long-established companies such as Rowenta, Manroland, Neckermann and Schlecker have gone bankrupt or have dismissed a large part of their workforce. Meanwhile, investors and speculators circle the municipal facilities on the hunt for profits.

Towns like Offenbach have been bled dry for decades and driven into financial ruin. This has been a deliberate policy to create the conditions for the privatisation of public facilities. First officials threaten the public facilities with bankruptcy in order to justify destroying jobs and cutting wages and then they present the sale—or giveaway—of the facility to a private company as the “only alternative”.

Just a few kilometres from Offenbach, in the centre of Frankfurt, the stock exchange sees trades worth billions take place every day. A fraction of this would suffice to secure the clinic from its financial difficulties. However, the politicians of all parties shower the wealthy with ever greater tax breaks and force ordinary people to pay through austerity.

The Left Party play a critical role in this. In Berlin, it

led the city government with the SPD for ten years. During this time, the Vivantes hospital group, owned by the city but operated as a private company, pushed through one cut after another at the expense of the workforce. In Offenbach, the Left Party on the town council made symbolic vote against privatisation but only because their votes were not needed for the measure to pass.

The Left Party has collaborated closely with Verdi and clinic management in Offenbach in instituting the cuts. In April, it used an injunction in the Darmstadt Administrative Court to revive the referendum initiative against privatisation. However, the referendum said the clinic would remain in public hands only if it returned to profitability. In other words, the Left Party argued that cuts in jobs and wages could be carried through just as well under public ownership.

At the beginning of May, the Left Party held a party gathering in Hanau, which concluded, “it was not possible under the present circumstances to save the municipal hospitals”. Since then, the party’s health spokeswoman, Marjana Schott, has been appealing to the Hesse state legislature for “reasonable investment financing for hospitals”. This hopeless proposition is directed to the very same parties implementing massive reductions in public spending.

Health, like education and work, a living wage, and affordable accommodation, are an inalienable right that must not be sacrificed at the altar of profit. In order to defend them, the workers need to organize independently of the unions and the pro-corporate parties and build a new mass party of the working class to overthrow capitalism and reorganize life along socialist lines.



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