

One million in German metal and electronics industries working on temporary contracts

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In mid-November, the news magazine *Der Spiegel* reported on a previously unpublished study commissioned by the IG Metall trade union documenting the prevalence of temporary job contracts in Germany. Neither the German Federal Statistics Agency nor the Department of Labour have published information on this trend.

IG Metall commissioned the study because it felt that its role in promoting the system of work contracts had been overlooked by the political and business elite. The union has no principled opposition to this system.

IG Metall allowed limited information to be made public on the scandalous conditions for which it is in large measure responsible in order to integrate itself more fully into the decision-making process of Germany's major companies.

According to the study, one third of those employed in the metal and electronic sectors currently work under irregular conditions of employment. *Der Spiegel* reports that this amounts to more than 1 million people.

In the auto industry, 250,000 workers are employed on job contracts. There are, in addition, 100,000 temporary workers. Only 733,000 workers are part of the core workforce of the auto companies. "This equates to a relationship of 2-1," the news magazine notes.

In the ship building industry, the proportion of those working under precarious conditions is even larger. Alongside 16,800 company employees there are 2,700 temporary workers and 6,500 contract workers.

The big steel companies employ 19,000 contract workers, nearly a third of their total workforce of 61,000. In the air traffic control industry, 72,400 permanent workers are employed, while 20,000 work either for sub-contractors or temporary placement firms.

Contract work was first approved by the European Union in 2007 and has seen a massive expansion since May 2011. It is a tool in the hands of the employers to intensify the exploitation of the workers.

Under the Social Democratic-Green Party government of Gerhard Schröder (1998-2005), the trade unions agreed to the universal introduction of temporary work.

The German Trade Union Confederation (DGB) is involved with a temporary labour agency in North Rhein Westphalia (NRW). Start Zeitarbeit NRW GmbH was founded in 1995 by the NRW state government, the NRW business association, the steel employers' association, the NRW Chamber of Craft Labour, the trade unions, welfare organisations and municipal associations.

The cheap labour of temporary workers is seen as an important "competitive advantage." The public service union Verdi and IG Metall concluded a collective agreement for the 900,000 temporary workers earlier this year. If they had refused to accept the collective agreement, firms would have been legally obliged to pay temporary workers the same wages as full-time employees. They have now confirmed low wage rates from June 2015 until the end of 2016—€9 in the west of Germany and €8.50 in the east.

Such poverty wages are still too high for the corporations. The two-tier system among workers due to the introduction of temporary work has been transformed into a three-tier system with the introduction of contract labour. Temporary workers who have been employed for a longer period have been forced onto labour contracts to prevent them from obtaining more rights. Under these contracts, many are paid wages of less than €5 per hour, barely enough to make ends meet.

The division of workers into first-, second- and third-tier was praised by the Federation of German Employers' Associations (BDA) as "a necessary instrument of the modern division of labour and specialisation."

Unlike full-time and temporary workers, who are paid for the hours they work or a monthly rate, workers employed on a contractual basis carry out a "job" (either a service or provision of goods) which must be completed before the contract is fulfilled. The time and effort required to do this are the responsibility of the contract worker.

Contract workers do not belong to the normal workforce and do not enjoy their rights. They are given special marked-out areas in which to work. If they work on machines, these are rented to the sub-contractor by the hour. Contract workers are not allowed to use the facilities available to full-time employees and have no right to travel costs or other benefits.

Companies such as BMW in Leipzig and VW in Ingolstadt have constructed complexes on their production sites to provide premises for chartered sub-contractors to step up the use of the wage-dumping model. Along with temporary workers, contract workers are an important basis of the "success story" of many German companies.

The increased flexibility of labour, achieved thanks to the collaboration of well-paid works council representatives and the trade unions, undermines working conditions for full-time employees as well. This affects more than wages. Workers have to adjust their entire lives to conform with the demands of the employer. Work patterns and holidays are changed according to the needs of the company. To cut costs, workers are sent home if there are no contracts to be fulfilled. BMW sends its workers on holiday for days when sales figures decline. As a result, they have to work all the harder when the figures recover. By operating in this way with its workforce, the company has been able to make flexible alterations to the two- and three-shift factory without having to hire new personnel. Weekends also belong completely to the company, which can force workers back to their machines with emergency shifts when required.

"I have nothing against contract work," proclaimed the new chairman of IG Metall, Detlef Wetzels, his focus set firmly on the major concerns. In a nod to the

growing dissatisfaction among the workers, he added, "But I have decided to do something if they are used to push wage levels down drastically." It would be difficult to outdo such cynicism.

In *Der Spiegel*, Wetzels describes the replacement of collective contracts by individual work contracts as an "attack on the social market economy." In fact, work contracts are fully supported by IG Metall and other unions.

The legal changes announced by the new government will hardly improve the situation of workers, should they come into force. The warm welcome given last week by IG Metall Congress delegates to Chancellor Angela Merkel and Social Democratic leader Sigmar Gabriel made clear that the unions are being fully integrated into the offensive against the working class planned by the new grand coalition.



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