

Renewed strikes at Amazon sites in Germany

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At the end of November, around 1,000 employees took further strike action at Amazon's facilities in Bad Hersfeld and Leipzig. The brief work stoppage was aimed at pressuring the world's largest online retailer to recognise the services trade union Verdi as a partner in contract talks.

Amazon, which was founded in the US by Jeff Bezos in 1994, took over as German retail's market leader in 1998 and now accounts for almost a quarter of Germany's online sales. In 2012, the firm had an annual turnover of €6.4 billion (US\$8.8 billion), an increase of 60 percent since 2010. This amounts to around 10 percent of its global sales. After the US, Germany is the company's most important sales market. Due to the exporting of profits abroad and exploitation of legal tax loopholes, the concern paid just €3.2 million (US\$4.4 million) in German taxes last year.

In 2012, Amazon operated 89 goods depots globally, and 7 more are to be added this year. On Thursday last week, a new depot opened in Brieselang (Brandenburg), near Berlin. Around 1,000 employees and 2,000 seasonal workers will dispatch 110,000 packages daily at the site.

Next year, further centres are to be built in eastern Europe. In the Czech Republic, two centres close to the airport in the capital Prague (Praha) and in the country's second city Brno are planned. In Poland, Amazon is planning two centres, near Wroclaw and Poznan. The Polish government is enticing companies to invest in its "special economic zones," where they will pay no property tax for 10 years.

Amazon has not turned a profit for a long time. Bezos repeatedly invests massive sums in order to expand its dominant market position globally. In addition, the company provides goods so cheaply that losses are factored into its calculations. Its aim is to destroy all competitors.

Amazon organises work at its European facilities just as relentlessly as it does in the US. Bezos originally intended to call his firm relentless.com, the *Süddeutsche Zeitung* wrote. He forces small firms, which would not be able to

sell without Amazon, to offer discounts that are self-destructive. According to the *Süddeutsche Zeitung*, Bezos calls this the "gazelle project." Amazon hunts smaller companies "as a leopard would a sick gazelle." Rather than putting air conditioners in its overheated depots, it preferred in the past to provide ambulances for workers who collapsed. "This option was more cost-effective."

Employees are expected to work long shifts for low wages around the world. They are constantly under the pressure and observation of company management. A report by the BBC used concealed cameras to show how employees had to run a total of 17 kilometres (11 miles) in shifts lasting 10.5 hours. The French journalist Jean-Baptiste Malet, who worked undercover for Amazon at Montélimar, north of Marseille, during pre-Christmas operations, reported he had to run 20 kilometres during one shift for German orders.

Employees at a site in Rugeley, East Midlands, reported in interviews to the British private broadcaster Channel 4 that during these long shifts they had a break of just half an hour, during which they required 20 minutes to walk to the canteen and come back again. In the process, they have to go through airport-style security controls at the entrances and exits of the depot and the canteen.

A former employee at the Rheinberg depot near Duisburg confirmed this procedure. "Because you go through metal detectors, you are not allowed to have anything metal on your person, no watch, no keys, no mobile phone, not even a belt. Even the hardened toecaps in the work shoes are made from carbon."

His British colleagues reported that an elaborate points system puts the workers under pressure. Every movement of the workers is followed by GPS trackers and evaluated. On the basis of the principle "three strikes and you're out," points are distributed for "offences." Included among these are short discussions with colleagues, calling in sick and "extended toilet breaks." In Germany, a worker is "out" after acquiring six points.

In Britain, Amazon hires its workers on so-called zero-hours contracts. With these contracts, the workers have no

secure work but have to work on demand. In Germany, Amazon uses temporary workers in order to be flexible. Along with the 9,000 employees, around 90 percent of whom have a fixed-term contract, there are 14,000 temporary workers.

The fixed-term contracts and inhumane working conditions with low wages cause a high turnover of the workforce. As a result, Amazon locates its operations in areas with high unemployment levels, so that it always can obtain a ready supply of cheap labour.

But this is not the only reason. In 2011, it was made public that Amazon took on the long-term unemployed unpaid for up to 14 days over the Christmas period. The local work agencies or job centres were involved, and spoke of “trial work,” in the framework of “a measure for activation and inclusion.” If unemployed workers refused to work for free, they were threatened with cuts to their Hartz IV welfare payments.

None of this concerned Verdi for some time, until an ARD television report at the beginning of this year uncovered the company’s “modern slave labour,” as the TV journalists called it.

Workers from Spain, Romania, Hungary and other countries were lured to Germany with false promises of wages and employed through a German work agency. As a consequence, it was possible to lay them off within 24 hours and send them back to their country of origin without any justification. Many workers laboured under these conditions for weeks without a break for low wages.

However, the main cause of public outrage was the accommodation of these workers in overcrowded quarters where they were bullied by openly right-wing employees of the security firm H.E.S.S. Hess was the name of Hitler’s deputy.

Following a storm of protest, Verdi stepped in. It was only shortly afterwards that they demanded that Amazon negotiate a comprehensive contract agreement. When Amazon refused, Verdi organised a strike vote, and in April there was a work stoppage. Previously, Verdi had had no concerns about Amazon paying even lower wages and not offering a pay increase, let alone the workload.

The trade unions only intervened against cries of injustice when the company’s operations were threatened and the danger emerged that the workers would take independent action. This was what happened after the ARD report on the slave labour conditions. With its connections in the factories, the trade union acts as a seismograph, responding to the slightest indication of anger and protest by immediately moving to head it off.

The current conflict with Amazon is therefore being used as a pretext. Verdi is calling for pay in line with the contract agreement for the retail and mail order sector. Amazon is orienting towards the lower levels of pay in the logistics branch. It is a logistics firm, insists Amazon’s German chief, Ralf Kleber. In addition, the firm pays more than the contractual rate already, he continued, paying a gross wage of €10.01 per hour. This year, there would also be a Christmas bonus for the first time of €400, or €600 for supervisors (known as leads).

Against this, Verdi is calling for an entry wage of €11.69, as well as a contractual Christmas bonus of at least €1,250. Verdi representatives have not said a word about the working conditions.

If Amazon summons the trade union officials to the negotiating table to discuss an agreement, the strikes will be brought to an end. “It isn’t our goal to strike at Christmas,” Verdi secretary Heiner Reimann made clear to Welt.de . Amazon’s operations are not to be shut down, but instead, it was about “an “explicit invitation to the negotiating table.”

In this way, Verdi is attempting to rush to aid Amazon, while at the same time it offers to help protect Amazon’s strongest competitor, the Hamburg-based Otto Group. Michael Otto, chairman of the board of directors of the Otto Group—the second largest Internet retailer behind Amazon, with 53,000 employees—criticised competitors who damaged the image of e-commerce with bad working conditions. “These black sheep are trying to get to the feeding trough and realise short-term advantages through their social dumping,” he said. “We need consensus on the maintenance of minimum standards.”

Verdi has expressly praised the Otto Group in its conflict with Amazon because the former cooperated with the union. It is taking for granted that the union gets something in exchange. Nine representatives of Verdi and the works council sit on the board of the Otto group.



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