

# Germany: Daimler works council pits contract workers against permanent staff

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Shortly before the turn of the year, Daimler headquarters works council chairman Jörg Spies announced that the corporation will continue to employ up to 1,400 of its contract work staff “under different conditions of employment.”

In reality, what the works council hails as a gain for the workforce is a well calculated manoeuvre. The previous work contract staff will not really be engaged by Daimler, but will continue their employment as hired agency employees. Management will cover the cost of any slightly improved working conditions resulting in this arrangement by tightening the screws on the core workforce.

According to the *Stuttgarter Zeitung* newspaper, the announced transition from company to agency contract work will mainly affect the IT and research and development sectors. Two former contract workers filed a lawsuit against a breach in their conditions of tenure, alleging they were being classed as members of the permanent staff, despite their employment as contract workers. The court upheld their claim and Daimler is now trying to forestall a subsequent wave of litigation.

However, the company will continue to offer contract work on the factory floor and in warehouses, where employees work for low wages of €7 to €8 an hour.

The works council and IG Metall trade union present this strategic move by the corporation as a successful outcome of their negotiations, because now “IG Metall collective agreements on the regulation of contract work will apply to them”, as Daimler general works council chairman Erich Klemm put it.

The works council has used this pathetic “concession” in the contract work accord to increase pressure on workers in several plants. For example, overtime work is currently being dramatically increased

to enable management to avoid hiring new staff.

A total of 21 extra shifts were thus scheduled at the Rastatt site in Karlsruhe from January to November last year. Ten extraordinary shifts were operated in the Bremen plant in November and December. Staff had to turn up for additional work every weekend in the Untertürkheim suburb of Stuttgart last year.

Nor is the corporation’s demand for overtime limited to the German sites. Last year, assembly lines were also running on 10 Saturdays at Daimler’s plant in Tuscaloosa, Alabama.

Erich Klemm was enthusiastic about the development. “We’ve never produced so many cars”, he proudly informed the *Sindelfingen und Böblingen Zeitung* ( *SZBZ* ) in December, adding: “Production (efficiency) is the basis for everything”. Some 460 S-class luxury sedans are currently rolling off the assembly lines at the Sindelfingen plant, near Stuttgart, every day, but Klemm said this still fell short of what the works council wanted. Even more cars could be produced.

According to Daimler, the works council in Sindelfingen has agreed to a further increase in working hours, amounting to 74 minutes a day, beginning this year. In addition to the extra half-hour agreed last year, the works council members have thus decreed that employees have to put in almost two hours of overtime work every day. The reason is always the same: As long as demand is high, more has to be produced in order to maintain the competitiveness of the worksites.

The same is happening in Untertürkheim. The plant management there threatened to reallocate the expanded production of the gasoline engine, type M274, to Kölleda in Thuringia. The eastern German plant is an independent company whose employees are not covered by the Daimler wage structure and

consequently earn significantly less.

As if on cue, Untertürkheim works council chairman Wolfgang Nieke announced his support for Sunday and holiday shifts “in critical areas of squeeze.”

Moreover, the Untertürkheim works council is pushing for a reduction of the proportion of agency contracted employees. At the moment, all members of the Daimler group stipulate that the proportion of agency-contracted workers must at no time be greater than 8 percent. It will now be the case that the proportion of such contract jobs is not to exceed a yearly average of 8 percent. The company can therefore employ a far greater number of agency workers for a short time.

Last October, the general works council had still not refused to accept such a corporation-wide arrangement, offering instead to tolerate an increase in the sector to 10 percent. Now Nieke is pressing ahead to reach such an agreement in Untertürkheim.

The Daimler works council has been under pressure since the SWR television channel’s screening last May of the documentary, “Starvation wages under the star (Daimler logo)”, which uncovered the corporation’s extensive exploitation of low-wage contract work. Although works council head Klemm claimed in an interview with the *SZBZ* that the works council and IG Metall would “unfortunately also in the future not be able to prevent” the proliferation of contract work, it was the aim of negotiations among IG Metall, the general works council and the Daimler executive board to secure a sound legal basis for the work contracts. Attorney Stefan Nägele, who has filed dozens of law suits on behalf of work contract employees since November, calculated that more than 100 cases were underway in Stuttgart alone.

Works council member Georg Rapp, a former contract worker himself, told the *Kontext* weekly newspaper that efforts were being made “to formulate and implement work contracts for factories and offices in such a way that they are legally watertight”. Meanwhile, permanent staff members have allegedly even been forbidden to talk to work contract employees. The reason given is that if these contract workers accept instruction from Daimler personnel, their conditions of employment will be regarded as based on legally spurious labour contracts.

Daimler already made it clear last year that the

corporation had no intention of renouncing its exploitation of work contracts. Personnel director Wilfried Porth said that they “are an indispensable tool for the success of German business.”



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