

# German union IG Metall holds one-day protests against short-term contracts

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On 24 September, IG Metall organised a one-day protest against short-term work contracts. It called upon employees of the major auto companies to take protest action during their shifts, and commissioned expensive advertisements in the media and on commercial billboards.

The action was a farce. It was aimed at deflecting attention from the union's own responsibility for such work practices which strip workers of any job security and rights. The IG Metall, and the works councils it controls, has contributed significantly to the dividing of workers through the introduction of temporary employment, short-term work contracts and other practices, which have led to the creation of a huge low-wage sector.

It was the Social Democrat-Green Party government led by SPD Chancellor Gerhard Schröder and his adviser, IG Metall member Peter Hartz, that opened the floodgates for wage-dumping in 2004—with the full backing of the trade unions in the German trade union confederation (DGB). Just days ago, at the launch of a new biography of Schröder, Chancellor Angela Merkel explicitly thanked her predecessor for this achievement. In 2003, the Schröder government did away with the legislative provisions limiting temporary employment (Hartz I), before degrading the unemployed to social welfare claimants who must accept any job, just one year later (Hartz IV).

When the Federal Labour Court restricted employers ability to pay low wages for temporary workers, short-term contracts became the preferred mechanism for wage-dumping. By means of short-term contracts, entire production sectors are outsourced to third-party firms, which charge a fixed amount for a service. Employees at such subcontracting firms are paid the minimum wage or even less based on a lower level of contractual agreement, such as Verdi's agreement for the logistics sector. They do the same work as before, and sometimes work side-by-side with permanent employees, who earn significantly more.

Short-term contracts first appeared regularly at the end of the 1980s. After the reunification of Germany, the government concluded a number of deals with Eastern

European and Balkan countries to secure cheap labour for the booming construction industry. This practice was broadened still further with the eastward expansion of the European Union in May 2004.

Scandalous conditions repeatedly made headlines, above all in the construction and meatpacking industries. Workers from Eastern Europe worked in slave-like conditions under inscrutable short-term contracts. Earning between €2 and €3 per hour, they were sometimes robbed even of this small sum when an unscrupulous company disappeared into thin air.

Now, however, leading automakers and engineering companies also use temporary work and short-term contracts to reduce wage costs. IG Metall, which is directly integrated into management via the German system of “co-determination”, is fully aware of and tacitly accepts the practice. This has now assumed huge proportions. According to a poll conducted by the trade union, among 4,000 works councillors, two-thirds of all companies use short-term contracts. The outsourcing trend has doubled since 2012.

IG Metall executive member Irene Schulz told a rally in front of the Mercedes factory in Berlin Marienfelde, “Nationwide, one in three logistics workers is employed by a subcontracting firm—that is 30,000 workers. In machinery maintenance, outsourcing is also at a rate of around 30 percent—approximately 40,000 workers. With service developers it is 80,000 workers—that is 20 percent.”

These conditions are not new. The WSWS reported two years ago about the systematic use of short-term contracts in the auto industry. But in spite of these scandalous practices, IG Metall rules out the abolition of short-term contracts and temporary work. IG Metall head Detlef Wetzels explicitly stated at the rally in Leipzig last Thursday that IG Metall was not opposed to short-term contracts in principle.

Nor does IG Metall have any intention of taking action against low wages, or the division of the workforce into permanent employees, temporary workers and contract employees. If they did, they would not be waving red fans in front of the factory gates, but organising a genuine struggle.

The truth is that the trade union is alarmed that amidst growing dissatisfaction in the factories, it is losing control. IG Metall is therefore appealing to the German government to strengthen the position of the works councils. It called upon the government to rapidly implement the laws contained in its coalition agreement which compel employers to inform the works council about short-term contracts and extend the co-determination rights of the works council. And to create clear criteria, “to protect contracts from termination by employers and one man self-employment.”

IG Metall is demanding that when allocating contracts, the companies give preference to subcontractors that agree to contracts with IG Metall. This demand is directed against the competing services trade union Verdi, which is responsible for the logistics sector. Wetzel boasted at the Leipzig rally that IG Metall had already concluded agreements for some 2,500 workers with nine subcontractors.

In another report on IG Metall’s website, one can read about the content of such agreements. It enthuses over the logistics firm Transco, which introduced contracts “under pressure from IG Metall” for 300 workers outsourced from Daimler-Benz—“however, these are approximately 50 percent below the conditions for corresponding agreements in the metal and electronics industries.”

IG Metall is playing the role of a factory police force, responsible for controlling the workers in the plants and preventing unrest. This is precisely the significance of the demand for the right of co-determination for works councils in the outsourcing of labour.

Co-determination for works council in no sense means the improvement of conditions for contract workers. IG Metall already played a despicable role with regard to temporary employment, when in 2012 it concluded an agreement with employers’ associations and temporary labour agencies consolidating low wages. Had it rejected the contract, the companies would have been legally obliged to pay contract workers the same wages as permanent employees.

In Berlin-Marienfelde, where around 150 workers demonstrated, works council chair Ute Hass stated, “Temporary work and short-term contracts can be appropriate when spikes in orders are involved.” Beate Rudolph, a works councillor in the same plant, objected to the use of outsourcing of services in the development and IT sectors because rejecting outsourcing would ensure the securing of a “competitive advantage against other producers.”

Alex, 31, who works in a metal factory in the north of Berlin and who participated in the IG Metall demonstration, was unimpressed by the union’s campaign. He said, “When IG Metall says, ‘we regulated temporary working three

years ago with a new contract, now we only need to take care of short-term contracts, temporary work can be left alone, and we only need a few cosmetic changes to the contracts and then everything will be fine’, This is totally inadequate. Both should be fully banned. Nothing will be achieved with small protests, just going out on the streets for a while.”

He said of his own experience as a temporary worker for three and a half years, “Two years ago, it emerged that after eighteen months, temporary workers have to receive an offer of employment from the main company, so that I can transfer from temporary employment into the company’s permanent workforce. But one day before the regulation would have come into force, the entire contract was annulled at our firm. It means I can remain a temporary worker my entire life, with no right of a permanent position. Therefore I have seen what can be done with contracts. Even if the trade union reached an agreement with the firms on contract work, there is always a loophole allowing firms to avoid the regulation via the back door.”

Asked about the role of IG Metall, he said, “The trade union has too little power in any case, even here at Daimler. So few people have come to the rally, there is not enough pressure. The Social Democrats make the decisions in the trade unions. It is just much too weak. The trade union’s attitude is: ‘we’ve done enough for you temporary workers, we can’t do anything more.’

“On the trade union side, or with the shop stewards, who are closely connected, nothing is happening. When those people get a post with IG Metall, they have been bought. It is repeatedly said, ‘Just be happy you are still here, the competition is at our heels, the Chinese are here, they make life difficult for us’. It’s not strong enough, what they are offering? Many in the trade union just want to swim with the stream, not against it.”



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