

Report from Bonn by Rainer Apel

Labor's protests grow louder

The increased political role of the AFL-CIO is having an echo in Germany, as Bonn imposes draconian budget cuts.

In a statement issued on Oct. 29 from the national headquarters of the German labor federation (DGB) in Düsseldorf, DGB Vice Chairwoman Ursula Engelen-Kefer had harsh words for the budget-cutters around Finance Minister Theo Waigel: Should they stick to their balanced budget policy, she said, the country would certainly end up in a social and political catastrophe.

Especially dangerous is the underfunding of the Federal Unemployment Office by 6 billion deutschemarks (roughly \$3.8 billion) in fiscal year 1997, Engelen-Kefer said. Without this extra DM 6 billion, "brutal cuts in the labor market policy" would occur: cuts by 20% in jobless support programs, and by 25% in job-creation programs. Moreover, in order to move from mere management of the unemployment problem, to the creation of several million new jobs, through big public sector projects, many more billions would be required. Therefore, what is needed is not budget cuts, but expanded budgets.

The government should not, she warned, "undermine state funding of the unemployment insurance payments budget, the way it was done in the world economic Depression, at the height of mass unemployment." As in the Great Depression in the 1920s and 1930s, social peace and political stability in Germany are at stake, because of the refusal of Waigel and company to take notice of reality.

Engelen-Kefer is also a deputy director of the aforementioned unemployment office. Her statement came a few days after a broad mobilization of 400,000 metal workers, on Oct. 24,

throughout Germany, to protest the FY 1997 budget cuts which the government has imposed.

Oct. 24 was the 40th anniversary of the beginning of a 16-week strike of northern German metal workers, who were demanding sick pay in their industry. At the end of February 1957, the strike was successful, when the government committed itself to legislation that would ensure 90% of the average last monthly income, for workers with long-term illnesses, for a period of six weeks.

In 1969, a level of 100% became law. The law is one of the cornerstones of the much-admired social peace in Germany, which has been an important factor of overall industrial productivity, because it has reduced social tensions and protected the industry against labor strikes, which in other European countries are a constant scourge. For example, the mass strike wave in France in November-December 1995, burdened the industry with a net loss of DM 8 billion.

The German sick pay law, which "burdens" industry with DM 65 billion a year, has become an attractive gold mine for budget-cutters who want to do a service to industry, in order to compensate industrial managements for other (and much bigger) losses through, for example, currency fluctuations and anti-pollution regulations. Digging around in that so-called gold mine, may soon unearth boxes of explosives, which will blow up in the face of the budget-cutters.

The managements of the big engineering and auto firms, including Siemens and Daimler-Benz, which were targeted by daily protests of up to

150,000 metal workers in early October, were the first to smell the explosives. They decided to freeze all decisions on sick pay reductions for the time being, and offered talks to the metal workers union.

The union, for its part, showed that it will not be satisfied with promises. On Nov. 4, in the south German state of Bavaria alone, about 120,000 metal workers, supported by 30,000 public sector workers, took part in protests. This shows that the strike ferment is building.

That strike ferment not only means more commitment among workers to stage work stoppages, but also to stage protest marches outside the factory gates and do things that have not been in the arsenals of labor union tactics, for a long time.

The scene resembles that of American labor, before the 1995 shift toward a more activist, politicized organization under a newly elected leadership of the AFL-CIO. There are many in the German labor unions who make no secret of their view that the DGB also needs a more energetic leadership. There are some, even at the top echelons of the otherwise rather phlegmatic DGB and its 16 member unions, who think so, too. The national convention of the DGB in mid-November will provide more evidence of that. And, that change will be linked to things that have been going on in the United States.

When AFL-CIO Chairman John Sweeney visited the DGB in July, the two labor federations agreed to intensify contacts, including updates on political activities of U.S. labor against the Gingrichites during the election campaign, and, especially, on the new recruitment drive of the AFL-CIO. Having lost 20% of the 11 million members that the DGB had in 1990, German labor may learn from the experience of the AFL-CIO.