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Organizing precarious young workers in the East German automotive industry: A case study and some broader observations



Kolleg | Postwachstums-
gesellschaften



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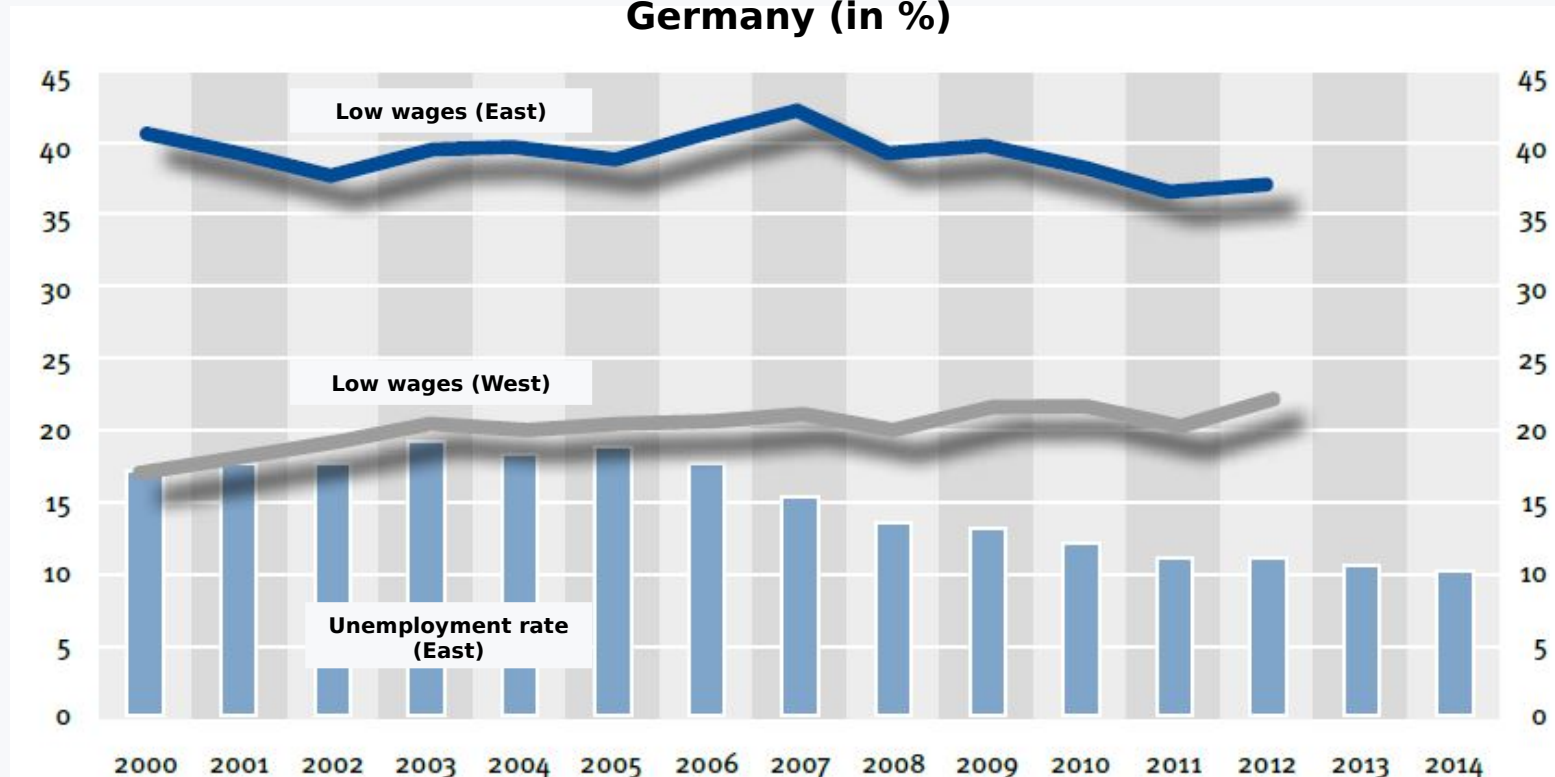
East Germany: A special challenge for unions

- Massive wave of de-industrialization after privatization in 1990s
- Strong and long-term decline of union density in the workforce
- Painful defeat in 2003 strike for wage equality
- Markedly distanced relations between unions and employees and works councillors in many firms
- Generation of 1990: Survivors, „East German work Spartans“
- Low collective bargaining coverage overall (East: 29%, West: 46% of workers), but higher in manufacturing (E 49%/W 59%)
- Relatively low coverage of works councils (E: 48%, W: 69%)

- What's new: Since the labour market reforms of 2003-5, precarity has become the „new normal“...

Precarity as the „New Normal“

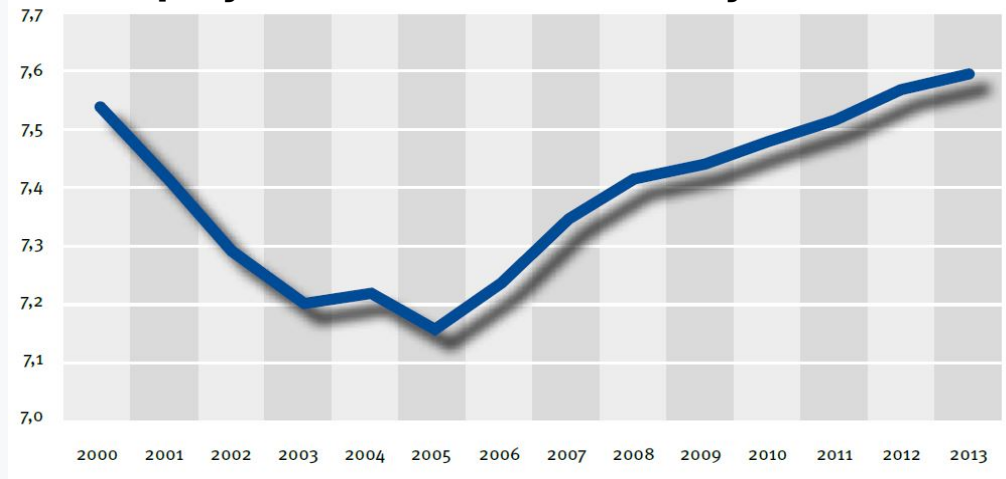
Rate of unemployment and rate of low-wage employment in Eastern Germany (in %)



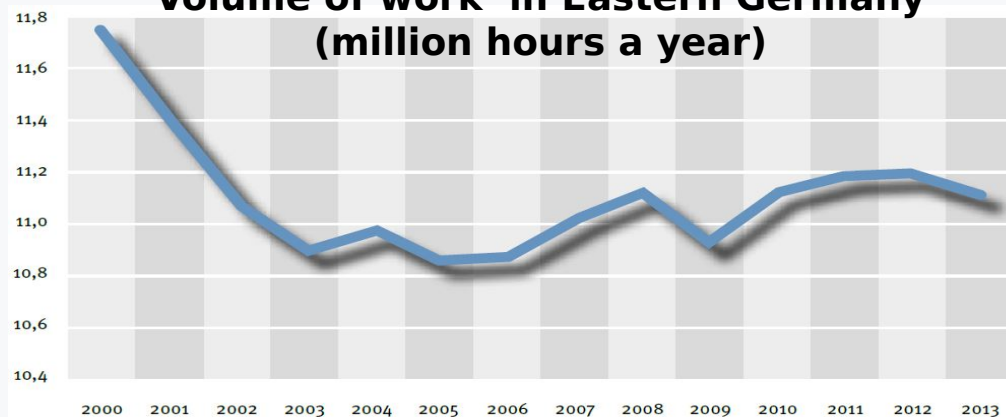
Source: Bundesagentur für Arbeit 2015; Kalina/Weinkopf 2014 (SOEP); Low wage = less than 2/3 of the median wage rate per hour in Germany (2012: 9,30€/h)

Precarity as the „New Normal“

Employees in Eastern Germany (millions)



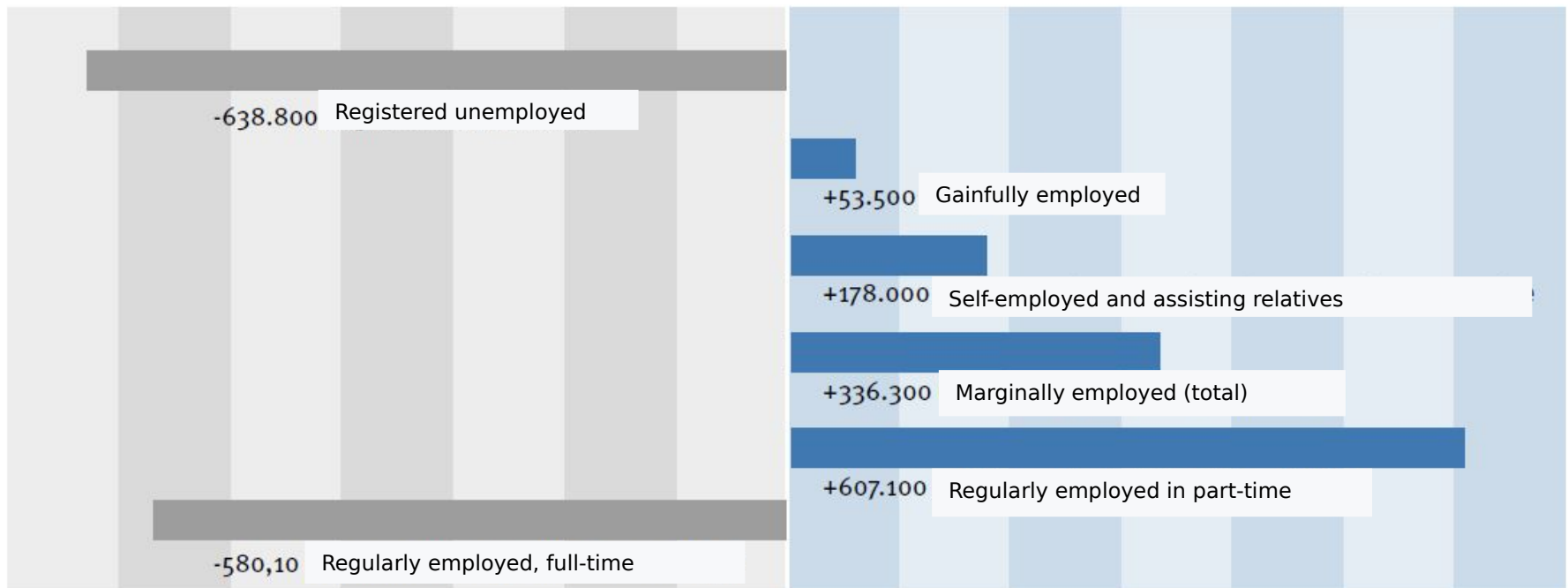
**Volume of work in Eastern Germany
(million hours a year)**



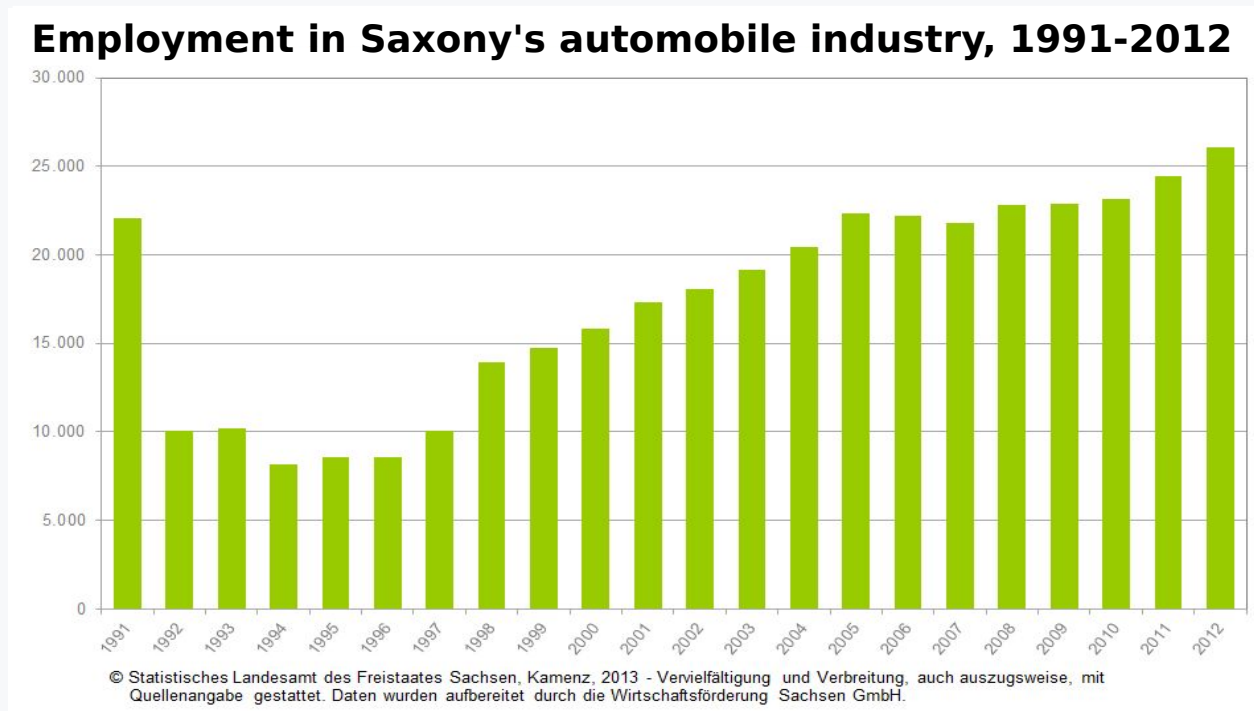
Source: Arbeitskreis „Volkswirtschaftliche Gesamtrechnungen der Länder“ im Auftrag der Statistischen Ämter der 16 Bundesländer, Statistik und Wahlen, Frankfurt/M. 2014

Precarity as the „New Normal“

Changes in employment from 2000 to 2013 in Eastern Germany

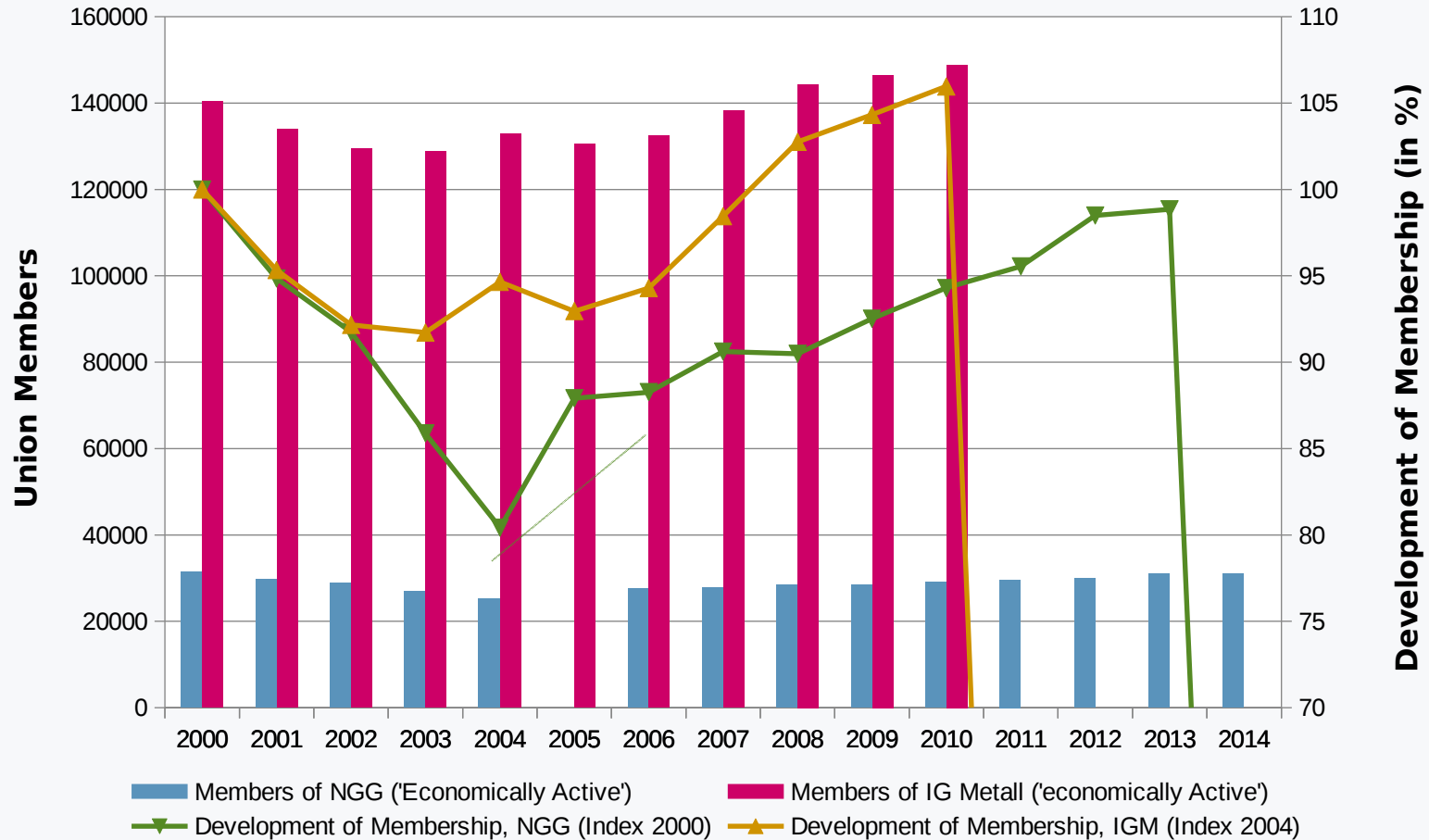


The automotive sector in Saxony: Growth in jobs under precarious conditions



2015: 35.000

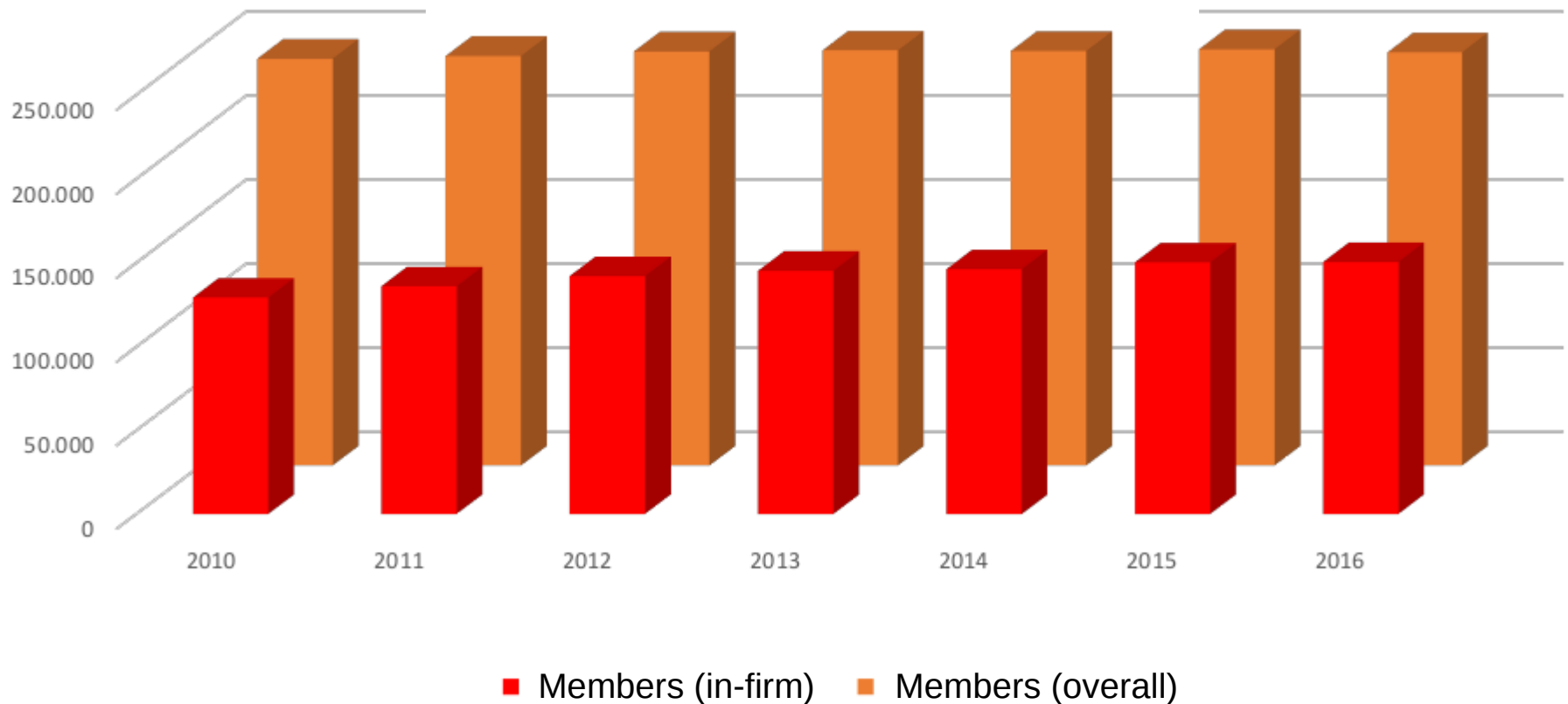
All the while: Organized labour's decline halted



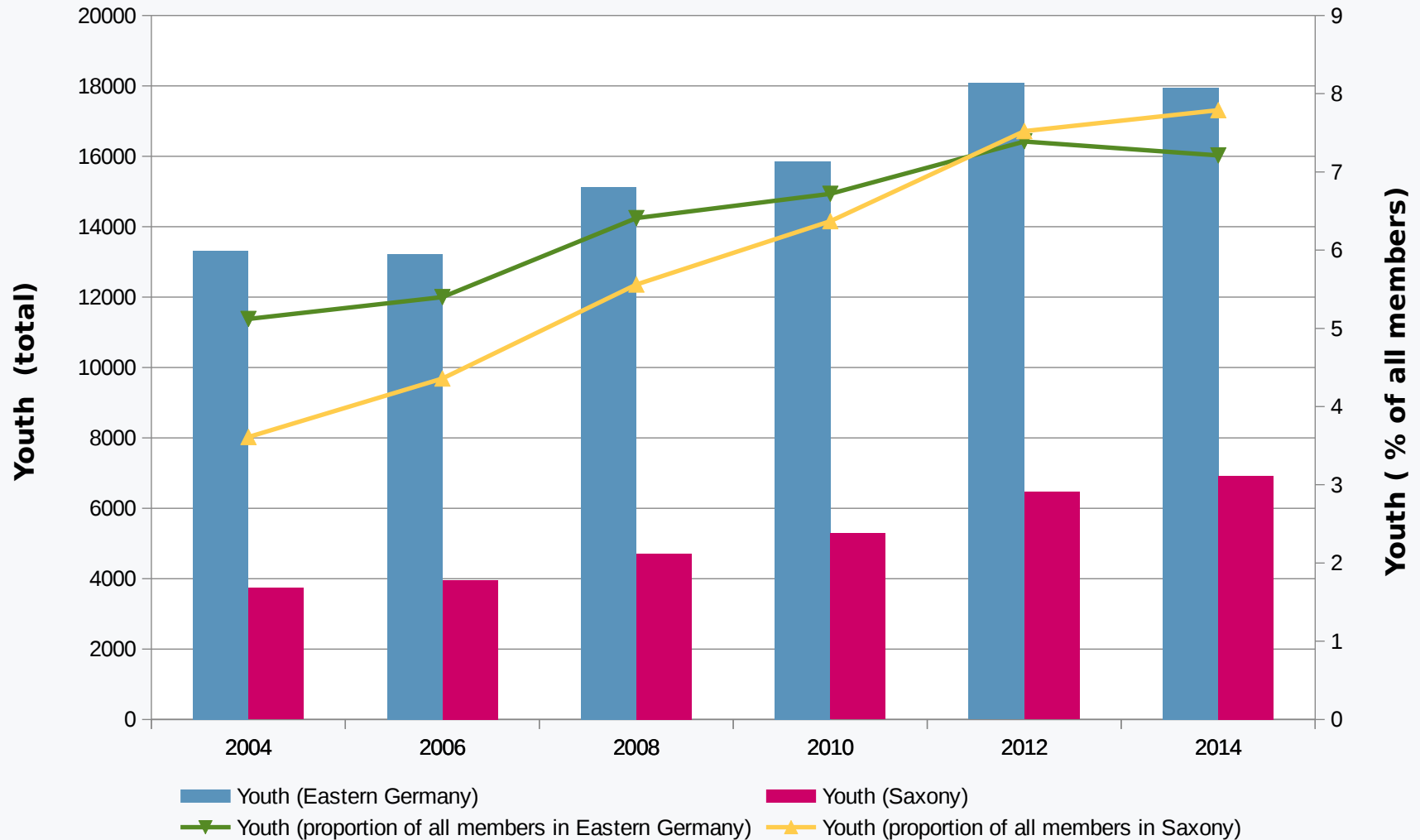
Source: Goes/Schmalz/Thiel/Dörre (2015) Gewerkschaften im Aufwind? Stärkung gewerkschaftlicher Organisationsmacht in Ostdeutschland, p. 13

All the while: Organized labour's decline halted

IG Metall Members in East Germany
(August of respective year)



IG Metall gains young members (14-27)



If conditions are so precarious: Why has IGM managed to reverse the trend?

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One factor: Strategic Choice

- Project „Zukunft Ost“ („Future East“)
- Strategic sectoral organizing efforts in successful clusters
- Youth empowerment efforts at district level (Berlin-Brandenburg-Saxony):
 - More youth-dedicated union officials
 - Youth camps
 - More influence for young members
 - Training programs for young activists

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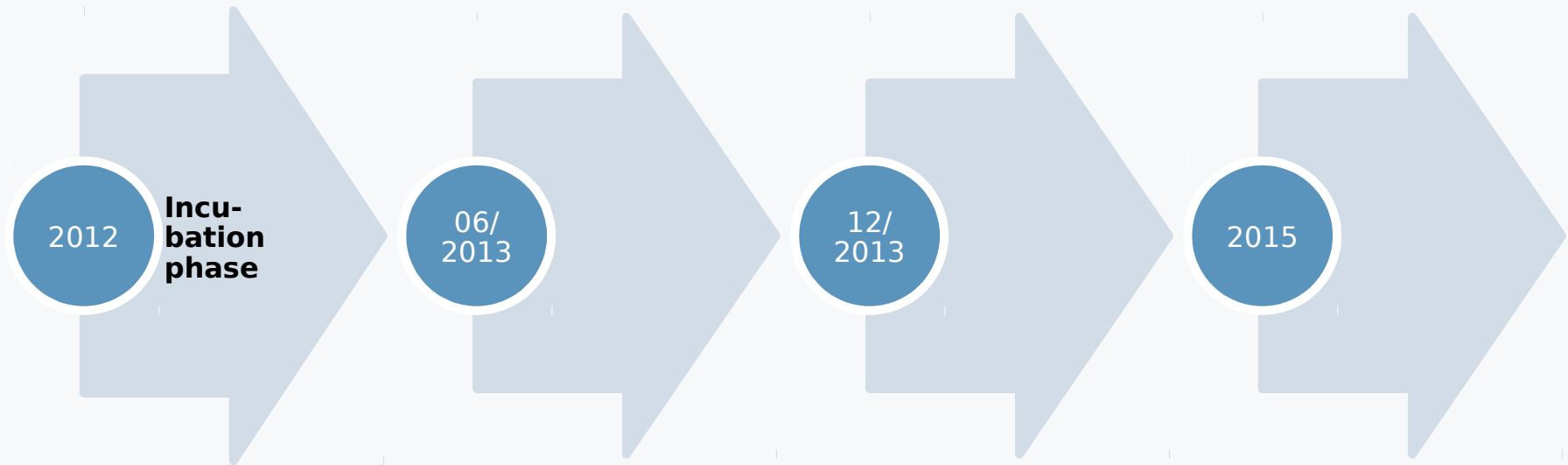
...but for all this to work, other facilitating factors must be at play. Let's look at a case study to find out what these are...

The case: Automax

- Automotive Supplier in Western Saxony's auto cluster
- Just-in-time provision to local auto plant and stocks for aftermarket; mostly semi-skilled work
- Founded in 2005 (greenfield)
- ~140 workers:
 - 100 permanent staff,
 - 20 on fixed-term contracts
 - 20-50 agency workers
- Agency work as core recruitment mechanism
- Median Age: 42



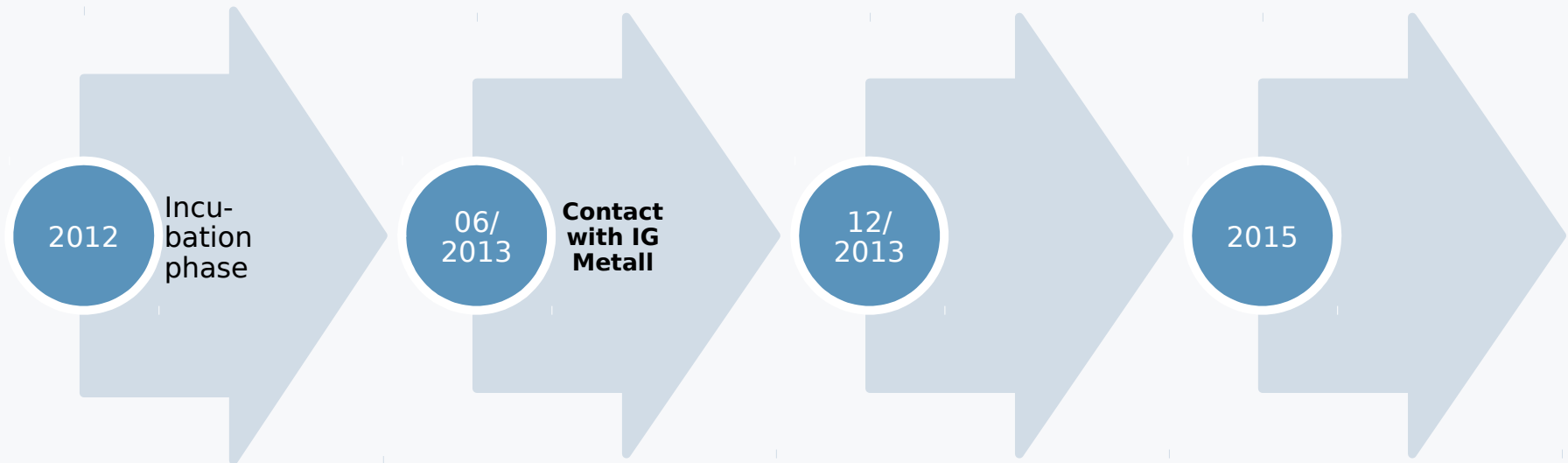
The case: What happened? - Phase 1: Incubation



First phase: Discontent grows, individuals seek solutions

- Growing discontent about:
 - Low wages/material insecurity
 - Lack of recognition - Forced flexibility without reward, contempt for workers
 - Inefficiency and despotism - ‚not having a say‘
- Some individuals try to talk to management, but find out this is of no use
- Eventually, a small group of mostly younger workers decide to act...

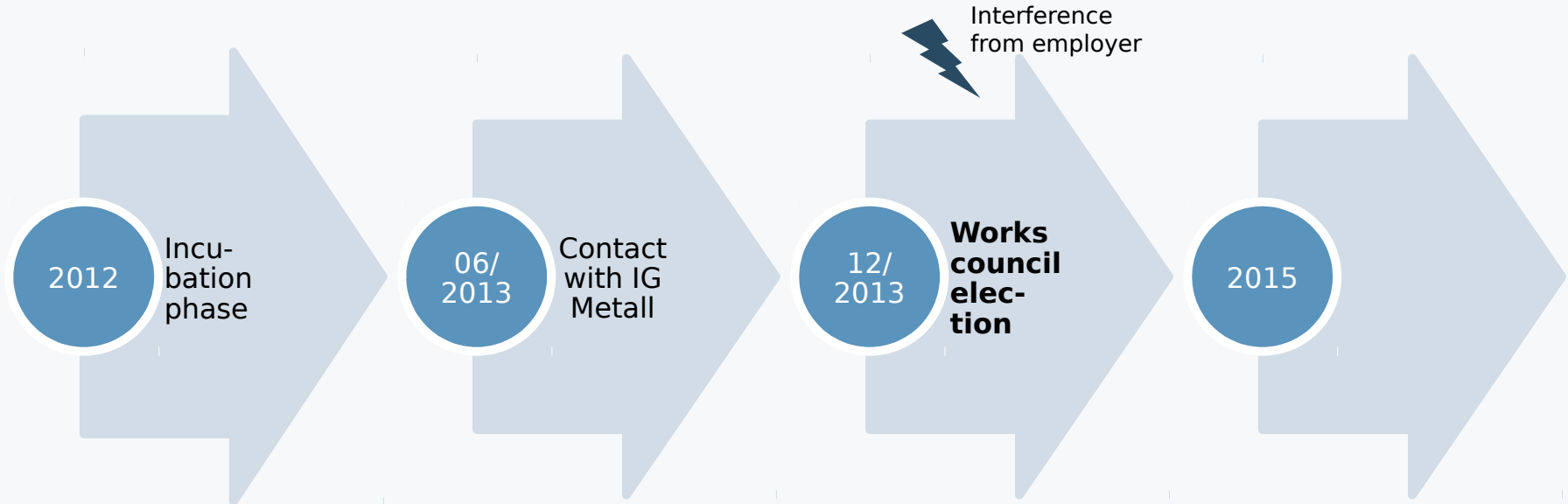
The case: What happened? - Phase 2: IGM enters in



Second phase: The union enters in

- Three workers contact IGM official, meet with him, join the union and make a plan:
 - Step 1: Elect a works council
 - Step 2: Enter into collective bargaining
- Conditions set by IGM rep: 40% membership to found a works council, 70% to enter collective bargaining
- Support from IGM: Legal and organisational backing, training for lead candidate
- Organizing effort by talking to workers one by one...

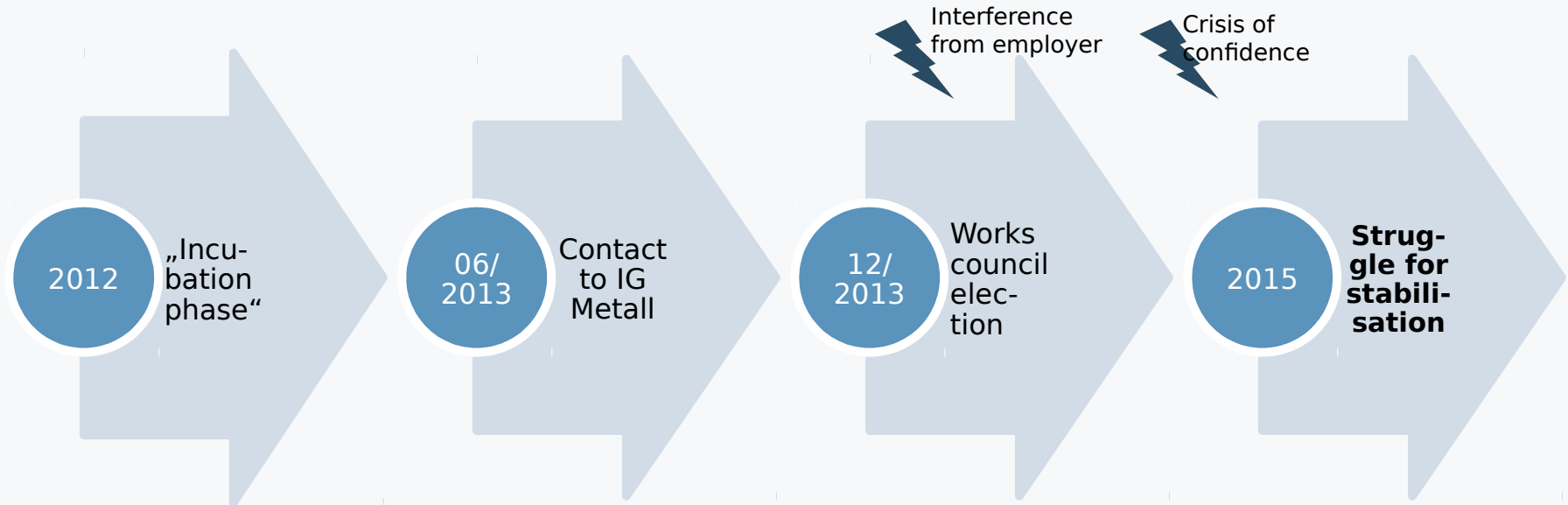
The case: What happened? - Phase 3: The election



Third phase: The election

- 40% was reached within a few weeks
- Election committee nominated in October, works council election December 2013
- 80% participation
- Employer repeatedly attempted to interfere by trying to render the election invalid, putting up counter-candidates and (later) assigning activists to different shifts
- Outcome: majority for IGM candidates, initial activists become head and deputy of works council. Two employer-friendly candidates were elected, of whom one soon retreated and the other joined forces with the rest

The case: What happened? - The situation in 2015



Fourth phase: After the election

- 2015 unionization rate: 45%
- Majority support for the council, especially among the young: *„Well, the younger people are more ready to actively open their mouths. Or if it's just that they join, to show 'I'm discontented here'. With the older ones it's more difficult, because they always tend to say, it's no use, no. Sometimes you also get people: 'Oh, I'm just here for another year, that makes no sense for me' and so on. Yes, there are differences. The younger people are more courageous and more prepared to take their fate in their own hands.“* (head)
- First real issue: additional pay for extra hours raised to 25% – but not well communicated, allowing management to attack works council at staff assembly
- Tough relations with management

Why did they choose to fight - despite the precarious situation?

„We don't have a lot to lose there. If you're forced to maximally prostitute yourself for little money with your work effort, then you can have that just as well somewhere else. We have enough of those kinds of rat shop around. So as far as that goes, it was clear we had nothing to lose.“ (deputy head of works council)

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→ Not ,despite', but *because of* normalized precarity

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- Precarity as a normalized element of labour market reality: experiences of precarity are neither a barrier to struggle *nor a subject of struggle* in and of themselves

Implications for unions in East Germany

- After two decades of stagnation, **the younger generation is more willing to organize** – struggles become more likely once the median age drops below a certain threshold (early 40s)
- **Bottom-up struggles** are happening in many places, normally around electing a works council as a first step and hoping for collective bargaining later
- **Perseverance** is necessary – the real challenges start once a works council is in place
- **Unions** can hardly spark such struggles, but should consider themselves a crucial **support and catalyst** of struggles by
 - Helping activists reinvent a culture of conflict
 - Enabling works councils to communicate with workers and pushing for transparency
 - Mediating between generations
- BUT: Be aware of the **ambivalent role of normalised precarity** and its dependency on the economic conjuncture...