

Hubertus Schmoldt • Ulrich Freese

Industriegewerkschaft
Bergbau, Chemie, Energie

IG BCE, P/O Box 3047, D-30030 Hanover, Germany

Hauptvorstand

National Executive
District Offices
Locals
In-house departments / departments in Bochum
All secretaries / IG BCE secretaries
IG BCE Educational Centres
Parliamentary Liaison Office
Presidents of National Committees

Königsworther Platz 6
D-30167 Hanover
Tel.: +49 (0)511 7631-0
Ext.: +49 (0)511 7631-267

Email:
hubertus.schmoldt@igbce.de
ulrich.freese@igbce.de

Hanover, 15 July 2004

Dear colleagues,

This summer, the German trade unions are in a worse position than they were at the beginning of the year. That's what surveys tell us, and it is corroborated by the trend in membership numbers. We are continuing to lose ground, and I am sure there are several reasons for this. However, it is particularly aggravating that the German Trade Union Federation (DGB) should be damaging itself, in particular, by failing to develop a clear policy in the decisive debate about the necessary reforms in Germany.

This is disastrous, because those in business and politics who want to force a change in our economic system are by no means keeping quiet. Instead, they are as expected intensifying their attacks on the German economic model. Only those who have not taken previous attacks on worker co-determination and the welfare state seriously can now be surprised by the call for a 50-hour work week.

It is very serious that at the same time, the relationship between the Federal Government and the trade unions is strained, and it is obvious that between and even within unions, there is anything but consensus.

In this difficult situation, IG BCE maintains a steady course: we are and will always be willing to enter into negotiations and to support reforms, when and where they make sense. We will not support reforms that violate the principle of social justice and that will not lead to structural improvements, for example, in the labour market.

Therefore, IG BCE opposes any restriction of protection against dismissal in smaller companies. This measure will not result in more jobs but will put employees at the mercy of their employers. Likewise, job opportunities for aged people will not improve if the duration of their unemployment benefit claims is shortened. The new so-called 'unemployment benefit II' is practically identical to the previous social welfare benefit and results in a drastic increase in the risk of impoverishment when a person loses his or her job. This is just as unacceptable as the new rules that require long-term unemployed persons to accept almost any job, even if it is far below their previous level of income.



We criticise where criticism is due. We speak out in favour of better policies on a daily basis. Even though we cannot prevent everything that we consider wrong, we are quite successful in our political work. Thus it was above all IG BCE that ensured that the early retirement scheme did not disappear without a trace. This bridge to employment was not closed down prematurely; instead, it is still carrying people for the benefit of many elderly and young employees.

Yet a union strategy based on opposition and obstruction is doomed to fail. A union relying on nebulous 'social majorities', disregarding the political majorities in the federal and regional parliaments, condemns itself to ineffectiveness.

We are convinced that the matter at hand is by no means a question of a fundamental policy change, but one of ensuring that the reform process be socially just.

Whether we like it or not, nowadays reform does not always mean improvement, it is more a matter of maintaining and ensuring achievements of the past than a matter of growth, and sometimes it is even a matter of renouncement of such achievements. The reason for this is that reform policies at the beginning of the 21st century have a different rationale than in the early 70s. Back then, there was no talk of either globalisation or demographic change.

We cannot ignore the fact that companies are now looking for the best conditions at a global level. The pressure on wages and employment conditions is mounting; the threat of relocating production and jobs is now commonplace. Nations compete with each other for companies and capital by offering rock-bottom tax rates.

At the same time, the increasing age of our society places a burden on our tried and tested social security system. The number of contributors is diminishing, while the number of elderly people claiming benefits from old age pensions, nursing care insurance and health insurance is increasing.

We are faced with the task of redefining solidarity against this backdrop, so that people know in the future, as they did in the past, that they are safe from the great risks of life.

It must be the objective of well-conceived reform policies to renew the 'model Germany' in the age of globalisation and against the background of demographic change, and to make it safe for the future.

It would be easier if we did not have to catch up on things neglected in the past, in particular during the Kohl era. While some of our neighbouring countries started as early as 15 to 20 years ago to prepare for predictable change, the liberal-conservative Kohl coalition pursued a policy of adjournment. It was only the Red-Green Coalition that did not ignore the pressure to reform.

However, we should not allow right- or left-wing parties to convince us that this pressure to reform was specific to Germany. Other countries, such as Italy and France, are faced with similar challenges. There, too, there is uncertainty, among people generally as well as among politicians. Governments find it hard to get acceptance for what they believe are necessary reforms. The same rule applies everywhere: If you are not able to get people to support the reforms, you are likely to fail sooner rather than later.

In Germany, too, it is becoming obvious that policies without social justice will not obtain a majority. IG BCE has always pointed this out, and we have also spoken out loudly against the fact that the reform process has hitherto been lacking in social justice. Just distribution of the burdens to be carried is an indispensable precondition for successful reform.

The trade unions contribute to the modernisation process, although all too often without a clear policy. Instead of acceptance of the necessary changes, a defiant ‘no’ has often prevailed and continues to prevail. Yet we cannot shirk from reality, and we cannot afford a situation where our Trade Union Federation vacillates back and forth in central policy issues.

- Those who welcomed the so-called ‘Alliance for Jobs’ between government, industry, and trade unions, only to frustrate it subsequently, have promoted the interests of those who had been against a joint effort to fight unemployment, to begin with.
- Those who initially supported the so-called ‘Agenda 2010’ for social and economic reform in principle, subject to certain changes to details, but then demanded the exact opposite, namely, a fundamental policy change, have made themselves untrustworthy.

We welcome the fact that now all unions declare that they no longer wish to fight the battles of the past and intend to tackle new issues instead, in critical dialogue with politicians. IG BCE has always warned against following the illusion of a fundamental policy change. Not least, because that resulted in opportunities to ensure more social justice within the framework of Agenda 2010 being lost. Let’s remember an insight offered by Albert Einstein: ‘The major problems we are faced with today cannot be solved with the same approaches we had when we created them.’

As a matter of fact, within the DGB it has not yet been discussed, much less determined, how the unions define their self-image and role in these times of change. There are largely two reasons for this:

- Some tend to deny the real changes that have occurred. For instance the fact that it is no longer the national state of the 60s that establishes a manageable framework for our activities.
- All too often some believe that they have to give people ready-made answers at any time, even if those answers are the answers of the past, and hence the wrong answers.

I am sure that the policy pursued by IG BCE is not a bad one. We candidly admit that we do not always have an answer to all problems immediately, because it is no good to try to muddle through with solutions that no longer apply. We do not make promises we cannot keep. It is the strength to speak uncomfortable truths that distinguishes us from others; this is where our credibility comes from.

We need to face new realities. Symbolic policies cannot be a substitute for this. Everybody knows that a wealth tax is not very effective. Even the Constitutional Court has taken this position. Everybody knows that a higher marginal tax rate could not be pushed through the Federal Council, the regions’ chamber in the Federal Parliament. The conservative parties have made this abundantly clear.

To make it quite clear: If, despite these odds, leading trade unionists and politicians place the demand for a wealth tax and a higher marginal tax rate at the centre of their policies, then this is, at best, pure populism. At worst, there is a more sinister reason for it: it suggests that the Government could meet such demands if only it chose to do so. Following such logics, the Red-Green Coalition would be either malignant, i.e. opposed to social justice, or incapable. And in both cases, it would be time to get rid of it. Claims that a change of government is not what these people want are incompatible with such rhetoric. We will not participate in any such campaign to promote people’s weariness of politicians. Those who will not accept that what is desirable cannot possibly be achieved will eventually threaten even what little is possible.

The rhetoric of stubbornness will only create losers. If such a public show of verbal force fails to produce concrete results, it eventually reveals weakness. The unions will become stronger if the solutions they propose are convincing and politically viable. This is why IG BCE demands higher taxes on big inheritances, the closure of gaps in the tax law, and minimum tax rates for companies in Europe.

To defend the interests of our members, IG BCE is of course always looking for ways to cooperate with other social groups, wherever it makes sense to do so, be it in the context of the compatibility of family and career or of educational policy. However, this is something entirely different from striving to build 'social majorities' in the sense of an extra-parliamentary opposition. IG BCE does not believe in a better future in alliance with attac. Opposing globalisation outright, as attac does, will not change things for the better.

A trade union's identity springs from its own activities. We do not depend on survival alliances with diffuse single-issue-movements.

Is there something to be gained from the intended establishment of a political party to the left of the SPD? This is certainly not comparable to the process through which the Green party emerged. Back then, young people with new ideas got together, today it is old people with obsolete ideas, and without a perspective for society, as one daily paper from Berlin correctly commented. Any votes that such a group might get in elections will eventually result in the exact opposite of what was intended, namely, securing a majority for policies that do not take workers' interests into consideration. And finally, we do not need an additional field of conflict within DGB.

IG BCE warns against a misconceived idea of justice. Also, the reproach that the SPD is no longer 'the advocate of ordinary people' is inadequate. A middle-of-the-road party needs to represent larger portions of the population and tie them to itself. Just like the unions do not only represent the lower income groups. Those who want to increase the income threshold for calculation of health insurances premiums, for instance, will also dig into the pockets of employees who are trade union members. This is why we speak not only about justice of distribution, but also of performance. Others had better face this issue as well.

In their discussion of the health system, other unions focus on the pharmaceutical industry exclusively, demanding, for example, a 'positive list' of medicines for which a refund can be claimed from the health insurance. Wherever they are affected themselves, silence prevails. But the surplus capacity in hospital beds is neither a secret nor is it a taboo issue.

For IG BCE, the justice principle is the yardstick in all fields of politics. We also champion fairness in criticism. We can see that with its multi-stage tax reform, the SPD-led Federal Government eases the burden on low and middle incomes in particular. Not least, this increases the purchasing power of large parts of the population.

Although IG BCE is not an election campaign support club, we are realists. We want policies for workers, and we want to renew our 'model Germany', as an alternative to the American economic and social model. We want to trigger a development that will guarantee the continued existence of social justice and equality of opportunity in the future. We are concerned about the participation of workers, i.e. co-determination, the industrial relations law, and free collective bargaining. These are the right issues to be concerned about.

The results of the most recent Polis study commissioned by DGB are unambiguous: trade unions must not refuse to co-operate but rather participate in policy-making. Not confrontation at any cost, but compromise where possible, because people know about the need for reform. Our task is to ensure that this is achieved in fairness.

If we stick to this mission, then we will even regain trust that has been lost. We will continue to promote this view within DGB. If the unions in general lose support, then this cannot leave us unimpressed, neither politically nor organisationally. A union that suffers a decrease in its social acceptance will eventually suffer a decrease in its membership too.

We want to achieve a change of atmosphere in industry and society. We want to create a climate conducive to a socially just reform process. Dear colleagues, we must achieve this, and we can only achieve it together. We need the support of the entire organisation. Accept the dispute, stand up for our objectives and our policy. For the benefit of all workers and for the benefit of our country. This will also strengthen our IG BCE.

Sincerely



Hubertus Schmoldt
President



Ulrich Freese
Vice-President

Attachments

Summary of the results of the polis survey

Welt am Sonntag, 27 June 2004, Frank Bsirske: „Gerhard Schröder ist gescheitert“ (Gerhard Schröder has failed)

Freie Presse Chemnitz, 8 May 2004, Michael Sommer: „Es liegen Welten zwischen uns“ (Worlds apart)

FAZ, 29 June 2004, „SPD weist Gewerkschaftskritik zurück ...“ (SPD dismisses trade union criticism...)

Die Welt, 30 June 2004, Jürgen Peters: „Wir wollen einen Politikwechsel“ (We want a change of policy)

FAZ, 7 July 2004, „Gewerkschaften: Die SPD muss sich verändern“ (Unions: SPD must change)

Stern, 7 July 2004, Frank Bsirske: „Ich fantasiere nicht von Schröders Sturz“ (I'm not dreaming of seeing Schröder toppled)