

## Report from Bonn by Rainer Apel

### A fight for jobs, against globalization

*Resistance is growing against those who are driving down wages and gutting Germany's industrial base.*

The usual tactic of the budget-cutters in the government of Germany, namely to exploit the period of late July and early August, when a good part of the population is on vacation, to prepare new assaults on the social welfare and labor budgets in the autumn, has worked many times in past years. This time, however, the situation is different, and it is not guaranteed that the government will be able to pass its austerity budget for FY 1997, which will be debated in the parliament from mid-September on.

This time around, the labor movement feels humiliated by the government's arrogance and refusal to negotiate, which was demonstrated in April when Chancellor Helmut Kohl wouldn't discuss anything but a list of budget cuts already agreed on with the International Monetary Fund, and otherwise insisted that the policy of "outsourcing"—subcontracting to take advantage of cheaper labor—was "unavoidable." Kohl's policy provoked labor to walk out of a roundtable on national economic policy.

The DGB, the national federation of labor, called upon its members to join protests and strikes, and on June 15, rallied more than 300,000 for a national day of protest in Bonn—one of the biggest public protests in post-war German history. The DGB has announced a new round of protests in the bigger cities, to begin in early September.

The government's plan to go for a German variant of "Thatcherism" and union-bashing has not only angered labor, but has also created

strong opposition inside the chancellor's own political ranks, as many of members of his Christian Democratic Union (CDU) are affiliated with the Catholic Social Ethics (CDA) movement, which controls almost one-third of the CDU caucus in the parliament. The chancellor and his top budget-cutter, Finance Minister Theo Waigel, are finding it difficult to maintain the parliamentary discipline of the CDA, and its loyalty to the government.

The tone of CDA warnings to the budget-cutters and outsourcers has become more aggressive. Commemorative events for Hans Katzer, a former CDU labor minister and co-founder of the CDA, who died in July, turned into platforms for attacks on the outsourcers.

At memorial for Katzer in Cologne on July 29, Minister of Labor Norbert Blüm said that Katzer's legacy was to defend the special "German model of the social market economy" against the type of "unbridled capitalism" that the neo-liberals and globalizers are forcing upon the economy.

"Those ideas that won the victory over socialism, must not be sacrificed to the big new global competition for efficiency," Blüm said, adding that "laissez-faire capitalism is not the answer to the challenge of socialism." Blüm also referenced the encyclicals of Pope John Paul II on labor and social affairs, as a focus for the CDA view that "man is more important than things."

And the Catholic bishop of Essen, Hubert Luthe, said in his eulogy for Katzer that the market is "acceptable

only in the form of the social market economy, which includes the principle of justice."

Meanwhile, in Bavaria, the Catholic state governor, Edmund Stoiber, decreed in July that, for public sector projects, he would no longer sign contracts with construction firms that pursued a policy of outsourcing and undermining the minimum wage. This move provoked the neo-liberals of all camps to attack Stoiber for "state socialism"; the Free Democrats, Chancellor Kohl's minor coalition partner, also engaged in these attacks. Even so, the housing minister of Kohl's cabinet, Klaus Töpfer informed the press, only a few days after Stoiber's announcement, that he is considering a similar decree concerning federal public-sector projects, as well.

And, in a session of CDU members of parliament in mid-July, Friedhelm Ost, chairman of the parliamentary commission on economic affairs, and formerly Kohl's government spokesman, warned the globalizers among industry managers against "a policy of Manchester Capitalism that discards social responsibility." Ost denounced managers who no longer respect the German tradition of training industrial apprentices, as "traitors against the interests of the nation."

This gives a foretaste of the kind of political debates that Germany will have in the autumn. Particularly the Ost statements, coming from a formerly devout free-marketeer, signal that a growing current among the Christian Democrats is about to break with the ideology of British neo-liberalism, and is going to call for protection of German jobs. For example, the chairman of the Saarland state section of the CDU, Peter Müller, called in mid-July for emergency legislation that would force outsourcing and job-killing firms to pay penalty taxes to the state.