

The 'recovery': Is the German industrial worker a dying species?

by Rainer Apel

When the official unemployment figures for the Federal Republic of Germany for the month of February were presented on March 1, the much-propagated hoax of the "recovery of the German economy" collapsed. With 2.6 million workers—that is, 10.5% of the total employable workforce—without jobs, official unemployment had reached its highest since 1948. Moreover, a further increase has been predicted by most of the country's economic forecasting agencies. In the dry language of the Munich-based IFO Institute: "It can be expected that, especially in the branches producing capital goods, productivity increases will be gained by reductions in the total number of workforce employed."

The truth is much worse. One has to look into the crisis sectors of West German industry to recognize it: The traditional centers of industrial production are the ones hit hardest by the depression—whole complexes for production of steel, from hard coal and lignite production to iron-ore processing are dying out. The Saarland, the industrial capacity of which is grouped around the ARBED steel-producing facility, is facing the loss of between 30,000 and 50,000 jobs in steel, its supplier industries, and in mining. Unemployment at the Saar is at an average of 14.2%—the second-highest among the ten West German states. In the capital of the state, Saarbruecken, 17.2% of the workforce is without a job.

In the Ruhr region, the industrial heartland of Germany, all major production centers have unemployment rates above the national average: Bochum, 15.4%, Dortmund, 17.1%, Duisburg, 16.4%, and Gelsenkirchen, 15.6%, for example. In Aachen, the center of lignite production, unemployment is at 12.2%.

In the city-state of Bremen, a crucial transshipment point for the west of Germany, the crisis in shipbuilding and the collapse of commerce in industrial goods has led to an unemployment rate of 14.7%. In the city-state of Hamburg, the huge world port at the mouth of the Elbe River, 12.6% are without a job.

The real figures

Even these figures are not revealing of the full truth, since there are an estimated 1.3 million additional unemployed

nationally who are not listed in the official statistics. This figure consists of youth who never found a job, women who have given up and retreated into their families, other categories of the employable workforce, and an increasing number of Germans who are employed by the "shadow economy," which combines the drug/organized crime scene, illegal work, and the ecologists' "alternate economy." The West German "shadow economy" is estimated to cover almost 10% of the active national economy!

All of this means that one can add a good 50% to the unemployment rates of most of the regions and cities. It means that most of the aforementioned cities may have a real unemployment rate of close to, or slightly above 20%.

Looking into specific sectors of the economy, the picture is even more horrifying. Construction is critical, for example. Of the 1.1 million workers in the construction branch, about half a million are either laid off or working short hours. About 200,000 will have no chance of returning to a job under the current circumstances.

This figure by itself pulls the hoax of the "recovery" to pieces, because the construction branch has always been said to be an indicator, something like the "locomotive factor," of the conjuncture defining the transition from recession to recovery.

In steel and in mining, unemployment has been kept "relatively low" in the past few years because of immense state subsidies paid by the national and regional governments. Right now, the government in Bonn, which has subscribed to the monetarist nonsense of budget balancing, wants to "phase out" these subsidies. This threatens an estimated 10% of the currently employed steel workforce, and 10% of the currently employed mining workforce with unemployment.

If the subsidies are phased out, then within one or two years, the unemployment rate in the aforementioned crisis regions and cities will be between 22% and 25%.

Yet, more is to come. The oligarchical European Commission in Brussels wants to "adjust European production capacities" in steel and mining. In the usages commonto these fellows, as with the International Monetary Fund, "ad-

just" always means collapse. The Commission claims that another deep cut of 40% of European capacity in steel production has to occur in order to achieve "consolidated and stable levels of production" relative to putative demand. In addition, 150,000 miners have to be "adjusted" out of their jobs, according to the Commission—50,000 in West Germany alone. For the district of Aachen, the center of West German lignite production, this program means that 13,500 mining workers will be out of work, pushing the unemployment rate up to about 20%.

General impoverization

All of the foregoing, however, has been a mere counting of figures; nothing has been said in the official statistics about the bitter fact that 17% of all unemployed have already been without a job for more than two years, that these people and their families live on social welfare—at perhaps 50% of the average, normal income required to secure a decent minimum standard of living for a family.

Nor do the above statistics tell the story of the general trend which has seen the number of such long-term unemployed double in 1984, or of all those industrial apprentices who are currently being trained for a profession in steel or mining, but will never have any chance of finding a job under the circumstances.

A general process of impoverization, starting with the low-income families, has begun in West Germany. It is accompanied by political embitterment and a growing potential for social explosions.

Soviet blackmail potential

The dramatic employment situation in Germany can also be illustrated by looking at the sectors which have "blossomed" and have been allegedly carrying the so-called "recovery." The machine-building and machine-tool-building branches still managed to provide employment for 30,000 new workers in 1984. Great news? Well, in 1983, the same branches lost about the same number of old workers, which means employment has reached the level of 1982.

The question is whether employment will remain at this level—and there are plenty of doubts. These branches have profited from the very thin and temporary "competitive currency factor" which has driven the dollar's value up and the deutschemark's value down. There were numerous contracts with foreign purchasers in 1984 who bought more German machines for less dollars. However, the other news is that numerous companies have reached such a dangerous state of dependency that 30%—even 50%—of their production output depends on Soviet contracts. This opens the door to strategic blackmail.

Since the Bonn government extended official public support to the President Reagan's Strategic Defense Initiative, the Soviets have, on the one hand, waved the carrot of "big

new contracts in the new five-year plan" for the West German machine-building sector, and on the other hand, threatened that "future trade relations will depend on Bonn's general political conduct, especially on questions touching the strategic interests of the Soviet Union and her allies."

Thus, the Soviets have gained a crucial handle on one of the industrial sectors carrying the "recovery" in West Germany. The very idea that Soviet promises of contracts of about 18 billion deutschemarks in the next five-year plan, however vague those promises, might not come true, is making many managers in the machine-building branch very, very nervous.

Khomeini blackmail

Another client of the West German machine-building industry has been the genocidal regime in Ayatollah Khomeini's Iran, which has bought the largest proportion of the trucks produced in West Germany in the past two or three years. With a regime like that, stability of trade relations also depends on Bonn's "general political conduct"—as exemplified by the prominent preference given to relations with Iran by the Bonn Foreign Ministry of Hans-Dietrich Genscher. Any return to political morality in Bonn, that is, public denunciation of Khomeini's regime, means the end to many of these contracts with Iran, and thus the end to many jobs in West Germany, too.

The fact that Chancellor Kohl himself has subscribed to something like a housewife's version of the monetarist doctrine is making things even worse. He believes that he was voted into power by the electorate in March 1983 because he promised an upswing, the economic recovery. There is no such upswing, but since Kohl is still in power, he, not at all unlike the American President, believes there simply must be an upswing somewhere. The state and municipal elections in three of the ten West German states on March 10, which yielded losses of between 4% and 7% for Chancellor Kohl's Christian Democrats and led to an increase of votes for the opposition Social Democrats in the two important states of Saarland and Hesse, should have sent warning signals to Kohl. All preliminary election analyses list "protest votes against the economic policy of the Bonn government" on top of voters' preferential motives.

But Chancellor Kohl is not listening. Instead, his keynote address to the national convention of the Christian Democratic Party on March 20 contained the unbelievable sentence: "Fighting unemployment has never played a role at the beginning of any economic recovery."

Given the current trends, the crucial May 12 state elections in North Rhine-Westphalia, where most of the industrial crisis regions are located, must end in a catastrophic showing of the Christian Democrats. The economic depression, which has begun to hit fiercely especially in the past few weeks, is what is really up for a vote.