

## Report from Bonn by Rainer Apel

### Labor challenges austerity drive

*With the Kohl government announcing new budget cuts on a daily basis, some are sounding the alarm.*

**T**he tone of political exchanges between government, banks, and managers on one side, and labor and social welfare organizations on the other, is getting harsher. The deep frustration and outrage in the labor movement about the government's austerity program, is beginning to catalyze a broader mobilization.

Frustration and outrage alone won't suffice, naturally, if not guided by a positive alternative to British free-trade doctrines; but there is a potential now to stir up the normally complacent labor movement in Germany, to achieve something positive.

A senior spokesman for the German construction union told this author on April 30 that the government and its arrogant austerity advisers may think they are winning on all fronts, because they took labor by surprise, breaking off the dialogue with the labor unions in early April and replacing it with a policy of daily pronouncements of new plans for budget cuts, "whether labor likes it or not." But, the source said, this victory may prove shaky, because tearing apart the social consensus, in a country whose entire postwar structure and social stability rests on that consensus, is a very risky undertaking.

It is not only labor that is opposing the planned federal budget cuts of 15 billion deutschemarks (\$9.4 billion) in labor incentives, sick leave benefits, jobless support, and social welfare payments, for FY 1997. On May 3, the management of the German state railway company, the Bundesbahn, resolved not to reduce sick leave benefits for its 280,000 workers and employees, not to do what Chan-

cellor Helmut Kohl is calling for, namely for public sector workers, whose jobs are supposedly "safer" than those of the private sector, to march ahead in the new era of social sacrifices. Kohl is over-confident that nothing will stand in the way of his plans, so it is not even certain that he noticed the slap in the face that he received from the managers of the Bundesbahn.

Indeed, most German managers seem to be loyal to the Conservative Revolution. The main front of resistance is, therefore, the labor movement, with its 15 unions and 9.4 million organized members.

May 1, the traditional Labor Day, featured a number of speeches by union leaders that were quite remarkable, in addressing the world of monetary and financial speculation as a mortal enemy of labor. It is worth noting that the labor union of the 470,000 employees of the German banking sector, HBV (commerce, banking, and insurance), is in the very forefront of the labor mobilization here. This has to do with the fact that the HBV is in the middle of a campaign that was launched last year, against plans of the banking and insurance managers to eliminate 25% or more of the sector's jobs, in the process of "downsizing" their operations in Germany, and "outsourcing" to other, allegedly more profitable markets abroad. This process, which will kill 120-140,000 jobs in the banking and insurance sector within the next few years, has already been pushed through in productive industry, with a net loss there of 560,000 jobs since 1990.

This mobilization of the HBV will be merged now, with the mobilization against the government plans for cuts in the labor budgets. HBV national chairwoman Margaret Moening-Raane delivered bluntly worded statements in the recent period, for example at a protest rally of 50,000 HBV members in Bonn on April 28, where she attacked "the free-market radicals [who] want deregulation, which means lifting speed limits for the so-called 'market forces.' For them, it is not the average citizen that has priority, but big money."

"What we need," she said, "is a policy that really serves the cause of the people; a policy that does not consider social justice as a term in a foreign language; a policy that taxes speculative gains effectively, instead of distributing additional tax benefits. We need a policy that takes efficient measures for the creation of jobs.

"We urgently need perspectives and actions for more jobs. We don't need any liberal-economy loudmouths. We need politicians who are loyal to the people, not to finance capital."

In a speech on May 6, she warned the government and the banks not to underestimate the power of resistance of the labor movement. "If need be, we will carry the resistance over several years, into the next national elections of 1998, and beyond," she warned.

This is a resistance movement that is operating from within the territory of the monetarist enemy—the banks. It is a very interesting constellation. The moment that this movement directly takes up the call for a fundamental reform of the banking system, for the creation of a national bank that would serve productive investments and punish speculation, may come sooner than the bankers and the government think.