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In the Belly of the Beast

German workers fighting for a fair contract with Amazon could transform the service sector on a global scale

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Amazon España por dentro, Álvaro Ibáñez / wikimedia commons / cc-by-2.0

For over four years, Germany's nationwide service-sector union ver.di has been fighting for a fair contract at Amazon's shipping facilities. The company has faced over 150 strike days, most recently when hundreds of workers stopped work at multiple locations over Easter. The ongoing struggle has become one of the toughest and most protracted labor disputes in modern German history, and it probably won't end anytime soon.

Many observers have depicted the conflict as a disagreement over whether to classify Amazon as a retail or logistics operation, which would determine the collective bargaining agreements the company must follow. Were this true, the dispute would almost certainly be less intense and could have been resolved by Amazon joining either the logistics or retail employers' association. In reality, the fight between Amazon and ver.di is about something much bigger: the world's largest online retailer fundamentally opposes negotiating with unions. What happens at Amazon Germany will ultimately decide who sets the company's working conditions: the bosses alone, or management in negotiation with labor.

When hundreds of workers went on strike in early 2013, they launched the first strike at Amazon not only in Germany but also in the company's history. Until then, the bookseller-turned-superstore hadn't faced a single work stoppage anywhere in the world, nor had it ever agreed to engage in collective bargaining. Amazon hopes things will stay that way, which gives ver.di's work greater significance: if workers win a fair contract in Germany, it could mobilize their colleagues around the world.

The first-shift workers who stood outside the Bad Hersfeld factory gates on April 9, 2013 in yellow ver.di strike vests probably didn't recognize the full implications of their action. At that time, they weren't fighting for a collective agreement; they simply wanted better wages. But Amazon's corporate structure makes it almost impossible for workers to unite against management.

Each of the corporation's eight German fulfillment centers operates as a separate company. Although the same holding company in Luxemburg — one of Europe's prime tax havens — owns them all, separate executive boards allegedly control each. No one has challenged this curious legal construct in court, which makes collective bargaining on behalf of all twelve thousand Amazon employees, legally speaking, impossible. Further, Amazon has so far managed to avoid being classified as a corporation in Germany, thereby dodging the country's mandatory works councils.

An American Attitude

Amazon has repeatedly made it clear that it refuses to accept or even acknowledge organized labor. The corporation's distinctly American understanding of the role of trade unions becomes obvious here: it doesn't treat ver.di as a group of employees who chose to join the union, but as a suspicious third party seeking to drive a wedge between management and workers.

This of course isn't true. Despite difficult conditions, including attacks and intimidation from management, the picket lines in Bad Hersfeld and Leipzig reveal that a lively trade union culture had taken hold at these warehouses, the likes of which is hard to find today, even in union strongholds.

Granted, employees organized in the union and participating in work disputes represent a minority of workers, and they face enormous pressure from overseers and some of their colleagues. Nevertheless, many Amazon locations now have confident and experienced branches that have proven themselves to be more than extensions of the union apparatus. The union doesn't present itself to workers as an office bureaucrat, but as an active colleague, who recruits new members, advises fellow workers, and organizes, plans, and executes labor struggles. These shop stewards connect across the workplace and across locations globally.

They enjoy a friendly and productive relationship with ver.di, but they also emphasize their independence. This has produced conflicts, as activists sometimes expect more internal democracy than the culture of established trade unions generally permits. One union secretary bluntly described the situation: "We at ver.di consciously deployed organizing strategies at Amazon. This resulted in a workforce that sometimes wants more than the union, which isn't always easy for us."

Organizing Promotes Self-Organization

When do workers begin to assert their collective interests? Industrial sociologist John Kelly's mobilization theory suggests several prerequisites: workers must perceive their conditions as unjust and — more importantly — must blame their employer, rather than uncontrollable forces like "the market" or "globalization". Second, a union must at least attempt to change things in the workplace. This entails, ultimately, leadership that can relate to existing complaints and suggest possible solutions.

We don't know precisely when workers in Bad Hersfeld met the first requirement. We do know, however, that the second element remained absent for some time: ver.di failed to intervene in the Amazon warehouse for years after it opened. Although the union had an office in town, the local secretary lacked the necessary time and resources to deal with the situation at Amazon.

Things began to shift in 2011. The union dispatched two secretaries trained in organizing nonunion workplaces to Bad Hersfeld for two years, concentrating exclusively on the fulfillment centers. At the campaign launch, ver.di counted a mere seventy-nine members among Amazon's roughly three thousand employees. Although the warehouses had a typical German-style works council, it kept itself — as did most workers — "rather distant" from the union, as a local secretary put it at the time.

Within two years, however, membership had risen to nearly one thousand. Ver.di organizers helped establish a diverse and lively union culture that would prove crucial to maintaining strikes over the coming years. The activists mobilized in this campaign not only put pressure on their bosses at Amazon but even on their own trade union. Ver.di members decided to move on April 9, 2013: nearly a thousand workers from Bad Hersfeld went on strike. Their colleagues from the Leipzig fulfillment center followed suit in mid-May.

Since then, ver.di has built branches in almost all of Amazon's German shipping centers, although they vary drastically in terms of size. More established sites like Bad Hersfeld, Leipzig, and Rheinberg have organization rates between 30 and 50 percent, but ver.di members at newer locations, like Pforzheim or Brieselang, find themselves in the minority. Nevertheless, in September 2015, workers struck at almost all German fulfillment centers; only the Brieselang center — where a majority of workers still had only temporary contracts — remained in operation.

Overall, work stoppages have stabilized at a relatively high level: eighteen strike days were recorded in the first year, rising to twenty-six in 2014. Workers struck for fifty-five days in 2015, and fifty-one last year (twenty-three at individual centers, and twenty-eight days at multiple locations simultaneously). As impressive as this progress is, ver.di continues to face enormous challenges both in mobilizing workers and in winning its demands. Amazon has proven to be a clever and highly adaptive company that understands how to exploit obstacles to trade union work and use them to its own benefit.

This became apparent around Christmas 2013, when one thousand workers in Leipzig and Bad Hersfeld signed a petition distancing themselves from the union and the strikes. The media circulated a declaration from workers complaining about the "negative public image" ver.di was spreading about their employer and accusing the union of haranguing workers "in their private lives." Credible reports state that Amazon's management supported the action, even allowing employees to collect signatures while on the clock. For ver.di, it came as a shock to discover that a significant portion of the workforce would support the action. In retrospect, the union should have expected it: a large number of Amazon’s workers come directly off unemployment or from precarious jobs in logistics, retail, or construction. In the retail sector, so-called mini-jobs and other forms of part-time employment account for nearly 50 percent of all positions.

In comparison, Amazon offers several benefits: wages are generally above the regional average and are always paid on time, and many of the jobs are full time. But a majority of Amazon's workers still have temporary, seasonal contracts, trapping them in precarious conditions and making them less receptive to labor struggles. During the Christmas season, for example, the number of employees nearly doubles.

Amazon workers understand the relatively small amount of power they have thanks to these circumstances. Temporary contracts found management's constantly lingering threat: everyone knows that their employer has total freedom to extend their employment or not — and if their bosses so choose, they can use this power to punish workers who participate in strikes. They also face the prospect of watching Amazon outsource their jobs to Poland or the Czech Republic.

Indeed, Amazon has made good on this threat, as the company's expansion into Eastern Europe over the last several years shows. Three Polish fulfillment centers opened in October 2014: one in Sady, near Poznan, and two near Wroclaw. The European Union lavishly subsidized these centers, and both Wroclaw warehouses are located in a low-tax special economic zone. Amazon employed roughly 3,500 workers in Poland as of autumn 2015, with an additional seven or eight thousand seasonal employees joining for the holidays. Since 2013, Amazon has operated a returns center near the Prague airport. It opened an additional shipping center next door in autumn 2015 and is currently discussing another center in Brno.

Eastern European workers accept wages and working hours far below German standards. The hourly pay in Poland currently stands at fourteen zlotys, roughly 3.30 euros. Shifts last ten and a half hours with one unpaid half-hour break, structured in four-day blocks. So far, Amazon has expressed little interest in expanding into these countries' domestic markets, having opened neither a Polish nor a Czech platform. Instead, Eastern Europe functions as a massive logistics center with low personnel costs. Poznan and Wroclaw primarily serve the German market, and operations in the Czech Republic function as a springboard into Austria.

Striking Gets the Goods

Despite these challenges, ver.di has won palpable improvements for workers over the last three years, albeit mostly through concessions from the employer rather than through legally binding agreements. Management finally decided to pay a Christmas bonus in 2013, the same year the strikes began. The company presented the meager, four-hundred-euro bonus as a "voluntary payment" to which employees had no legal entitlement. Research also shows that wages have increased: a ver.di-commissioned estimate for the Bad Hersfeld fulfillment center found that wages had risen on average by 1 percent annually before organizing began. Since the union arrived in 2011, wages have risen three times as fast.

Ver.di's success in building the organization itself is equally important, especially considering that it has struggled to establish structures in most workplaces for years. Many works councils view unions suspiciously or fail to develop strong shop stewards. Self-organized structures — where stewards recruit their coworkers independently of the works council — rarely appear.

Pro-union and pro-business factions often split works councils. Additionally, the courts end up dealing with many of the decisions these structures pass, which creates more work for employees. Many union locals simply don’t have the time and energy to recruit new members. In this context, Amazon appears like a test tube for trade union renewal in Germany.

Some observers have argued that ver.di should spend more time developing its membership base inside the company before continuing to strike. This claim may come from a good place, but it is ultimately divorced from reality. Other than the initial, union-led organizing drive between 2011 and 2013, most membership recruitment has occurred during strikes. Conflict-oriented workplace actions make workers visible and demonstrate their strength. As a result of the strike wave, ver.di has built active structures in all German Amazon shipping centers — virtually unheard of in this branch of retail.

Strategic Thinking Needed

Amazon belongs to the "Big Five" internet giants, along with Google, Facebook, Apple, and Microsoft. Perhaps even more than the others, this corporate upstart has done its utmost to redefine working conditions in digitalized capitalism. Amazon operates strategically and decisively, focused on the big picture. In order to win, ver.di will have to do the same and ally with the international labor movement. It has already taken some first steps in this direction, such as participating in the coordinated Amazon actions that UNI Global Union organized. These initiatives will take time to develop, but ver.di can still push things forward in Germany.

The campaign desperately needs an industry-wide planning team. Amazon is not just a mail-order retailer, but also a logistics company, a media corporation, an IT provider, and a hardware and software manufacturer. The company will soon operate its own air and shipping lines. Indeed, Amazon affects at least six of ver.di's thirteen areas of responsibility, but the union devotes far too little time to coordinating its strategy. It could pressure retailers and logistics firms where collective bargaining standards still apply; for example, ver.di could take up the fight with DHL, the massive German firm responsible for most of Amazon's deliveries in the country.

Further, as the German union with the most organizing experience, ver.di has a rich and varied history to draw on. In the 1990s, it forced the German drugstore chain Schlecker to begin paying collective bargaining wages and to accept works councils in its stores. Its 2004 Lidl campaign, conducted with other progressive organizations like Attac, had more mixed results. Although they failed to establish works councils across the company, it improved working conditions and wages considerably. Ver.di's "Lidl Black Book" brought national attention to the company"s unfair and illegal working conditions.

So far, Amazon has largely managed to deflect the impact of strikes by referring orders to non-striking centers or simply finding enough workers willing to scab at their own workplace. In response, ver.di and its members have adopted "alternative action forms" in order to disrupt the company's functioning more effectively. Workers at multiple locations have managed to launch surprise strikes at the point of production. This tactic makes it harder for Amazon to shift operations to another location, as they don’t know when to expect a strike, and, by the time they do, it’s already too late.

Activists in the fulfillment centers have spent three years gaining experience in the labor struggle and have more than enough ideas to continue the fight. Moreover, the union itself still has a few aces up its sleeve — it just needs to know how to play them.

Translation: Loren Balhorn

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