

Germany: The role of the unions and Left Party in hospital privatisations

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The conflict over the future of a hospital in the German town of Offenbach is intensifying. At the beginning of November, the city council voted with the backing of the Social Democratic Party (SPD), Greens, Free Democratic Party (FDP), and the Freie Wähler (Free Voters) to sell the hospital.

The representatives of the conservative Christian Democratic Union (CDU) abstained on the vote and put forward their own rationalisation plan.

The sale and privatisation of the hospital is to be finalised as soon as the end of March. The main interested party is the multimillion health firm, Rhön-Klinikum AG, which has made significant profits in the health care sector for some years.

The largest publicly owned hospital in Offenbach is threatened with the same fate suffered by the university hospitals in the towns of Gießen and Marburg seven years ago. These were the first university hospitals in Germany to be privatised, and sold off to the Rhön-Klinikum AG concern.

The consequences for employees and patients were catastrophic. The Gießen-Marburg hospital has become notorious for poor patient care, long waiting times and staff shortages, while investors have enjoyed massive financial returns. For 2011, Rhön-Klinikum AG's business report revealed profits totalling €161 million.

The developments in Offenbach, formerly an industrial centre close to Frankfurt-Main, are an example of what is currently happening in many towns and communities. Searching for potential opportunities for profit, investors are demanding access to public facilities, the most lucrative of which include electricity and water utilities, and the so-called health care market.

The procedure is almost always the same in each location. Local authorities are first driven into financial ruin, and then this situation is exploited to ensure that

the financial resources of public institutions are bled dry. Then follow threats of the bankruptcy and insolvency of the municipality in order to slash jobs, cut wages, and undermine social services. Through privatisation, the levels of exploitation are intensified to boost investor profits.

The Offenbach hospital has been a public facility for more than a century. Financed by public health insurance and contributions from the municipality, it provided an important contribution to the provision of health care for thousands of workers. Over recent years, municipalities were burdened with increased costs as their revenues were reduced.

With the insolvency of Offenbach, the financial problems of the hospital grew. In preparation for privatisation, a seven-floor new hospital was built two years ago at a cost of €180 million. This increased the total debt of the hospital to €240 million. In order to finance the new building, employees were forced to give up 1 percent of their wages. At the same time that the new hospital was being built, social spending was cut by €24 million.

Since August 2011, the hospital management has intensified its attacks and appointed a manager, Franziska Mecke-Bilz, from the Berlin-based firm Vivantes.

Mecke-Bilz took part in the destruction of social services in Berlin, gaining experience in working with the Verdi trade union, the Left Party, the SPD and the works councils in the process. Under the coalition of the Left Party and SPD in the Berlin state senate, Vivantes oversaw massive cuts to wages, a deterioration in working conditions, the elimination of "unprofitable" services and the merging, or outsourcing, of whole departments of hospitals.

In Offenbach, the Vivantes manager has cut 600 jobs

out of a total of 3,000 in the last 18 months. This has resulted in a dramatic worsening of conditions for workers and patients at the hospital. Nurses, carers and doctors in many departments and wards are severely overburdened, while everything from medical instruments for conducting operations to expenditure for cleaning and the canteen service has been cut.

Many workers and a large section of the population are angered by these developments and have begun to organise opposition. Last year, a citizens' petition to block the privatisation of the hospital rapidly received far more signatures than are officially necessary. But the Verdi union, which is closely connected to the Left Party, supports the privatisation process and is playing a cynical and duplicitous role to undermine opposition.

While the Left Party collected signatures for the citizens' petition, "people before profit", and created the impression it was prepared to oppose the cost-cutting measures, the German trade union federation (DGB) spoke out against such a campaign.

Holger Renke, head of the works council at the hospital and member of the Verdi local executive, warned sharply that the initiative would likely lead "to the insolvency of the hospital." Renke also sits on the board of directors of the hospital. The *Frankfurter Allgemeine Zeitung* reported in November that in the debate over the decision to sell the hospital, Verdi was playing a "fully constructive" role.

Another Verdi functionary who has been an important figure in the preparations for privatisation is Georg Schulze-Ziehaus. He is the head of health for Verdi and is also regularly involved in meetings with the Left party. He sits on the board of directors of Rhön-Klinikum AG. In 2011 alone, Schulze-Ziehaus received €62,000 in management bonuses. The fact that he gave part of this money to Verdi makes clear that Rhön-Klinikum AG helps to finance the union.

Schulze-Ziehaus has been demanding a "radical reorganisation plan" for the hospital for some time. The *Offenbach Post* cited him in May 2010 stating that the problems would not be solved "without adjusting the operations of the medical sector to achievable revenues (for example, through job cuts)."

The campaign for a petition by the Left Party is a sham. The petition merely calls for a reorganisation under the ownership of the municipality, with the aim of balancing the budget by 2015.

The Left Party is effectively accepting the suggestion of Hessen CDU social minister Stefan Grütner, who called last year for a hospital association made up of 43 public hospitals across the state of Hessen. The CDU proposal contained similarly sharp spending cuts for workers and patients as the privatisation plan.

On the Left Party's web site, state parliamentary leader Horst Schultheiß argued for the proposal in the petition. "Before being sold, the hospital's debts will be reduced. Why is it not then possible that the hospital takes part in an association of public hospitals to free it from the debt?"

"Debt reduction" and "the freeing of the clinic from its debts" are euphemisms with which the Left party justifies its support for wage cutting, the destruction of jobs and the dismantling of public services.

Schultheiß explicitly praised the cuts to social services, declaring, "Since the appointment of chief executive Franziska Mecke-Bilz, rationalisation measures have been implemented amicably, hand in hand with the works council and the medical profession. In the hospital's report for the third quarter of 2012, financial success is clearly recognisable."

Elke Kreiss, Left Party leader on the Offenbach city council, and head of the staff council at the University hospital in Frankfurt, unabashedly claimed that workers were prepared "to make further sacrifices."

This is demonstrably false; opposition is growing. But hospital workers, patients and the broader population are confronted by a united front of hospital management, politicians of all parties, trade unions and works councils.

To fight against this, the protest must be expanded into a struggle against the capitalist system. Health care for the population is a social right, which should not be sacrificed to the financial speculators. To defend this right, it is necessary that workers organise independently of Verdi on the basis of a socialist programme.



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