

# Germany: IG Metall Union sells out wages movement

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Last week 550,000 metalworkers participated in short strikes all over southern Germany. The high level of participation testified to the workers' determination not to accept any further wage cuts. The IG Metall union, which had organised the strikes, reacted by signing a miserable contract on Wednesday night.

IG Metall originally went into the contract negotiations demanding an 8 percent wage increase. This was in early September last year, shortly before the international financial crisis intensified. The employers offered only 2.1 percent.

The deal that has now been signed is similar to the original offer made by the employers. Metalworkers will get an increase of 4.2 percent—but over a period of 18 months and not 12 months as originally demanded. The average increase per year will only be 2.8 percent, less than the current inflation rate. And the 4.2 percent will only be paid after May 2009, six months after the old contract has ended. For the first six months workers will receive a number of single payments, which will not enter into the next contract.

To make things worse, IG Metall has agreed to a special clause allowing companies in difficulty to defer the increase for another seven months.

IG Metall's original demand for a considerable wage increase—for the first time in 16 years—was a reaction to economic conditions that prevailed earlier in the year. Amidst the boom in commodity prices, profits in the metal sector were soaring, while workers' real wages declined. In order to preserve a semblance of credibility, IG Metall had to react to the metalworkers' persistent demands for higher wages.

According to IG Metall, the net profit margin in the metal sector for 2007 and 2008 was the highest in 40 years. The profits of the metal and electrical industry

have increased by 220 percent over the last five years. Wages, however, have decreased by more than 3 percent since the end of 2004.

There is great dissatisfaction amongst workers in Germany. Over the last year, there were acrimonious wage disputes and massive strikes in the public sector, at the national railway company (DB) and at Berlin's regional transit service company (BVB). The trade unions Verdi, GDL and Transnet barely managed to prevent a combined strike movement. They feared the beginning of a social and political movement directed against not only the federal Grand Coalition government, but against the SPD/Left Party government in the city of Berlin as well. Against the stated intention of the strikers, the trade union apparatuses have agreed to wage agreements which, for the most part, are below the inflation rate.

Now IG Metall has followed the same course. Whereas its leader Berthold Huber talked big at strike rallies—"Everywhere the mood prevails: Now it's our turn!"—he and his apparatus did everything possible to strike a deal in the interest of the employers.

After the emergence of the financial crisis, Huber and IG Metall quickly dispensed with their militant posturing. Their overriding concern is the defense of German industry and capitalism. This explains their willingness to abandon the demand for an 8 percent increase, in spite of the massive strike wave. Berthold Huber, told the weekly *Wirtschaftswoche* as much, declaring that "IG Metall would have no problem agreeing to a deal lasting over 18 or even 20 months," and furthermore that it would be willing to accept "deviations from the contract by individual companies under certain conditions." These "deviations" could include reductions in working hours without paid compensation.

IG-Metall then mobilized their entire apparatus to impose the rotten deal on their members. The contract entails not only another wage cut but "guarantees the companies planning reliability," as Huber put it—i.e., the contract is a promissory note that the unions will do their part to ensure that German capitalism continues to reap profits in the metal industry.

The wave of strikes, involving more than half a million metalworkers, showed once again the willingness of the working class to fight. Picketing metalworkers carried placards that read: "We don't want 500 billion, just 8 percent"—a reference to the sum provided by the government to the banks and speculators, for which the working class will be forced to foot the bill.

The sellout by IG metal has again demonstrated that workers cannot achieve their demands without a revolt against the trade union bureaucracy. In the face of a looming recession and a severe crisis in the automobile industry, it has become impossible to achieve the most elementary demands within the confines of a trade union perspective. To defend jobs and wages, as well as social and democratic rights, a political perspective based on a socialist program is necessary.



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