

# German election: Trade unions signal support for a grand coalition

**Ulrich Rippert**  
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Just a few days before the federal election, the German Trade Union Federation (DGB) has agreed to a contract for workers employed by temporary job agencies, sending a strong political signal regarding the composition of the new government. It strengthens the position of the government towards such agency-employed workers and points to DGB support for a grand coalition of the conservative Christian Democratic Union (CDU) and the Social Democratic Party (SPD), with the CDU in the driving seat.

The new contract agreed to by DGB on Tuesday night means a minimal increase in the income of around 900,000 temporary workers to commence at the beginning of next year. In the west, the minimum wage rises to €8.50 (US\$11.50) and to €9.00 (US\$12.15) by June 1, 2015. In East Germany the minimum wage increases in June 2015 to €8.50 euros.

The DGB celebrated this minimal increase spread over several years as a success. Helga Schwitzer, managing director of the engineering union IG Metall, told the media that the new contract "significantly secured and improved the incomes of temporary workers in Germany." This is a piece of deliberate misinformation.

In reality, the contract is aimed directly against the employees. The DGB has ensured that factories and especially large companies can continue to employ workers at starvation wages. Had the DGB not renewed the contract, companies would have been legally obliged to pay temporary workers the same pay as permanent staff. According to the German Employment Act (AÜG) equal pay must apply when "no contract states otherwise".

Ten years ago, "yellow" unions controlled by the employers agreed to contracts, but these were later declared invalid by a court decision. With this latest

contract the DGB has enabled corporations to employ temporary workers in future far below the rate for regular employees.

With its decision the DGB explicitly supports the position of the German government. Labour Minister Ursula von der Leyen (CDU), announced that the new lower limit would immediately apply to all relevant workers to ensure that all employees could "benefit from the increase" as early as the beginning of November. The agreement was "of paramount importance for the minimum wage debate in Germany," the CDU politician announced with visible pleasure, because temporary work was spreading into many areas of the economy. It was proof, she claimed, that the system of agreeing to nationally binding contracts for minimum wages functioned.

In response to the SPD and the Left Party, which have both called in the election campaign for the introduction of a minimum wage, von der Leyen said: "The social partners (employers and unions) do not need lectures from politicians in order to arrive at reasonable wage levels."

On Wednesday, the federal government agreed to further minimum wage deals for stonemasons and craftsmen and announced talks with the unions on similar agreements for the hairdressing and meat processing industries.

The leader of the German Employers Federation, Dieter Hundt, expressed his own pleasure with the deal agreed to by the DGB whose "more than good three-year term establishes security for those companies that use time work to increase the flexibility of their operations."

The DGB's decision has far-reaching implications. In the spring of this year union members addressed an open letter to the DGB protesting against "contractual

wage dumping". Titled "No to DGB contracts for temporary work," the letter warned that temporary, low-wage and precarious forms of employment would be extended via such a contract. Workforces would be subjected to increased pressure and weakened and divided.

With its decision just days before the election, the DGB is offering its services to the incoming government. Two years ago the corporatist collaboration between the German government and the unions found its most crass expression in the celebration of the 60th birthday of IG Metall boss, Berthold Huber, in the Chancellery with Angela Merkel presiding over the festivities. Now such cooperation is to be continued and intensified after election day.

The unions have once again demonstrated that far from representing the interests of their members, they function as a sort of wages arbitrator for the government and big business. They desperately want to ensure that growing popular outrage over the enrichment of the banks and the impoverishment of broad sections of the population does not develop into a Europe-wide mobilization of workers against the dictates of corporations and the banks.



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