

German trade unions push for grand coalition and warn against excessive social spending

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Under the headline “extra grand coalition,” the news magazine *Der Spiegel* wrote in its latest edition, “Nobody is currently working harder to promote a coalition between the Christian Democratic Union (CDU) and Social Democratic Party (SPD) than the trade unions.” The article describes how the unions are playing “an unusual role” in the ongoing coalition talks, encouraging “prudence” from the politicians. Not all of the electoral promises made could be realised, the trade unions are warning.

The German trade union confederation (DGB) criticised the pension plans of the CDU and SPD, which will be debated in talks over the next week. It was not acceptable that the surplus in the pension fund would be used to provide handouts, stated deputy chair of the DGB, Elke Hanack, who is a CDU member. The CDU has proposed using the €30 billion surplus in the state pension fund to pay for a small increase in the pensions of parents with children born prior to 1992, which they promised during the federal election campaign.

The SPD also intends to provide a benefit to older mothers and fathers, but have proposed a tax exemption. They want to use the surplus in the fund to reduce the retirement age to 63 for those who have long-term insurance. The DGB also opposed this and fully adopted the arguments of the employers’ associations.

The trade union representative in the pension insurance association (DRV) Alexander Gunkel declared that the funds were there to act as a safety cushion during periods of declining intakes in an economic downturn. “It is exactly because the current financial position is so positive that preparations should be made now for the future, when a shortage of funds is guaranteed,” he said. Annelie Buntenbach, spokeswoman for the trade unions on pension insurance and a member of the Greens, “has exactly the same view.”

The trade unions also share the position of the

employers’ associations on another issue and have attacked the future governing parties from the right. Last week, the industrial mining, chemical and energy union (IG BCE) and the IG Metall union published a joint statement with two employers’ organisations—the Confederation of German Industry (BDI) and the Association of German Employers’ Organisations (BDA)—on the proposed transition to renewable energy. In it, they stated that they “have great concerns.” They called on the incoming government to centralise energy policy, reform the renewable energy law and reduce energy tax. Otherwise, Germany would lose out as an industrial location.

The unions were thereby helping “the business lobby out of a difficult position,” wrote *Der Spiegel*. Because nuclear energy, fossil fuels and renewable energy always had interests which were sharply at odds, industry coalitions have historically been rare. Only through a forum created by the trade unions have the 30 most important firms in the sector been brought together under one roof, *Der Spiegel* continued.

The trade unions are openly acting as lobbyists for business, representing the interests of the major concerns in the government talks. One of these business lobbyists is Armin Schild, the head of the IG Metall’s central district, which includes the states of Hesse, Rhineland-Palatinate, the Saarland and Thuringia.

Schild sits on the board of directors of Adam Opel AG in Rüsselsheim and played a key role in the preparation and imposition of the closure of Opel’s plant in Bochum. At the same time, he is deputy chair on the boards of three important steel concerns, the Saarstahl AG in Fölklingen, the Dillinger Hütte in Dillingen and the Stahl Holding Saar also in Fölklingen, and for this he earns a large salary.

Now, the union bureaucrat and SPD member is sitting at the negotiation table with the coalition parties and

discussing the benefits of a grand coalition for the trade unions and business. In several interviews, he has noted that a grand coalition would have more of an overlap of interests with the industrial trade unions than a coalition of the CDU and Greens, particularly in the areas of energy and industrial policy.

The unions' call for a grand coalition is nothing new. DGB officials highly praised the policies of Chancellor Angela Merkel before the election. DGB head Michael Sommar said to the Welt am Sonntag at the beginning of this year that Merkel had changed her stance towards fundamental issues facing employees. Today, she stood for consensus, a social market economy and autonomous collective agreements. The CDU was focusing on programmatic issues of the trade unions, such as the struggle against precarious working conditions, and she had seen "the path to virtue" on this issue, he added.

At that time, Sommar described a grand coalition as a "political victory." He described the grand coalition between 2005 and 2009 under Merkel as working very well with the trade unions and employers' associations under conditions of the worst economic crisis in the post-war period.

This was the period in which so-called bank bailouts were rushed through parliament, making €700 billion of taxpayers' money available to safeguard the criminal operations of the financial aristocracy. At the same time, the retirement age was raised to 67, one austerity package was adopted after another, and countries such as Greece were systematically devastated.

With its advocacy of a grand coalition, which will be able to implement the interests of big business most effectively, the DGB is preparing for major class battles. The trade unions are offering their services to help stabilise the incoming government. They intend to employ their entire bureaucratic apparatus, together with their army of representatives on the boards of big companies and public authorities, to quash all opposition in the working class.



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