

German IG Metall union supports grand coalition government

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The IG Metall union has given its clear support to the formation of a grand coalition between the Social Democrats (SPD) and the Christian Democrats and Christian Social Union (CDU/CSU).

At its recent congress, Chancellor Angela Merkel (CDU) was greeted by union delegates with applause. Since she became chancellor, Merkel has attended every IG Metall congress, in contrast to former Chancellor Helmut Kohl (CDU), who never did so.

SPD leader Sigmar Gabriel promised the 500 delegates and guests that he would not agree to anything with which the trade unions were not satisfied in the coalition negotiations. Now, the Chancellor joked, after what he had said, she thought she should “spend more time with you than with Sigmar Gabriel.” The union delegates laughed.

Merkel promised her audience tighter regulation of temporary work; when this would happen, she did not say. She knows that the IG Metall, like the public sector and services union Verdi, recently signed a new contract with the temporary work agencies which excludes equal treatment of temporary and regular workers before the end of 2016.

There was further applause when Merkel stated that there “would be a universal minimum wage”. The unions have raised the demand for a minimum wage of €8.50 per hour, which equates to a gross salary under €1,440 a month for a full-time employee—a net salary for an individual that is just above the poverty line. The grand coalition has now negotiated that the “national minimum wage” will only come into force in 2015, and that lower, collectively-agreed wages remain exempt from it until 2017.

This was “thanks to [outgoing IG Metall leader] Berthold Huber,” Merkel said at the end. She praised him: “He had pragmatically applied himself to finding

solutions in the economic and financial crisis”. She was referring to the reduction of real wages, reduced working hours and the flexibility agreed by the IG Metall under Huber, shifting the burden of the financial crisis onto the backs of the workers.

In the case of the attacks on workers in the European Union, the IG Metall, like all Germany’s unions, stands on the side of the Chancellor. “We need a common, strong Europe,” said Merkel. “The unions have always been there.”

She appealed to Huber’s successors to do the same: “Dear Mr. Wetzel and Mr. Hofmann, I offer to continue this cooperation with you in this pragmatic and constructive sense”, because “Your members have expectations, but you also have a responsibility to the wider community.”

In his own speech, Wetzel stressed that he sees this in the same way. The unions have the function of a seismograph that senses vibrations in the working world, he said. He could have added that ensuring industrial peace and order were the paramount duty of the trade unions.

The 6th extraordinary IG Metall union conference had been convened because the 63-year old Huber was about to enter his high-paying retirement. Together with Detlef Wetzel, he had been elected to lead the union in 2007. Both have received the highest praise from political and big business circles for their roles during the economic crisis.

Three years ago, on Huber's 60th birthday, Merkel organised a celebration at the chancellery. Only a few others have received this honour, such as former Deutsche Bank CEO Josef Ackermann. Huber’s birthday party included, among others, the president of the metal and engineering industries association Martin Kannegiesser, Siemens CEO Peter Löscher and VW

CEO Martin Winterkorn, as well as works council leaders of major corporations, such as Klaus Franz from Opel and Uwe Hueck from Porsche.

While Huber was a frequent visitor to the executive suites of the major corporations and at the Chancellery, Wetzel accelerated the transformation of the IG Metall into an operation organized along business lines. Two hundred posts at union headquarters were axed. The administration was organised on the basis of performance results.

Although he faced no opponent, Wetzel was elected as Huber's successor with only 75 percent of the vote. Many delegates, largely full-time officials and works council representatives, have taken umbrage with him for greatly diminishing their career prospects.

Wetzel has been through the old "hard slog" to the union leadership. An apprenticed toolmaker and qualified social worker, he became a member of the IG Metall and the SPD in the late 1960s, slowly rising in the union hierarchy.

He began as an IG Metall youth representative and shop steward, later working as a training consultant for the union. From 1980 to 1987, Wetzel was a union secretary in Siegen, first becoming the number two and then IG Metall district leader in 1997. From 2004 to 2007, he was district leader in North Rhine-Westphalia.

During these years, he established his reputation as a campaign manager. At that time, he launched the alleged modernization drive, "better instead of cheaper". Making numerous concessions in wages and working conditions was supposed to prevent jobs being relocated abroad.

Today, he is vice chair of the supervisory board of SMS Demag AG, one of the largest employers in plant and machinery, as well as at steel makers Thyssen Stahl AG. The presidents of the employers' associations, who were also guests at the union congress, praised the new IG Metall boss. They had come to know Wetzel "as a reliable and solid partner," said Rainer Dulger.

Jörg Hofmann was elected as Wetzel's deputy. The former district leader in Baden-Württemberg—a Social Democrat and member of the supervisory board at Bosch, Daimler and Heidelberg—is considered a "pragmatic collective bargaining expert". In this important district, which usually negotiates the pilot agreement for the entire industry, he agreed to low wage increases and concessions on working conditions.

Asked what issues were IG Metall's principal concerns in the coming years, he replied: "Shaping the changing world of work, reorganising the labour market. There needs to be a new balance between people's wishes regarding working hours and the flexibility demands of business."

The lowest union wage in the metal industry is currently about 12 to 14 euros, which companies believe are too high. Should future agency employees be paid according to industry rates, there would have to be affordable entry-level pay levels, said the chief executive of the German Engineering Federation (VDMA), Hannes Hesse.

Wetzel agrees in principle, recently saying that lower starting rates are quite conceivable as part of an overall concept. The employers and the IG Metall will begin their first discussions next year on how to implement this program.



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