

# Germany: IG Metall union agrees an industrial truce with the corporations

Dietmar Gaisenkersting  
26 March 2020

Germany's largest trade union, IG Metall, is closing ranks with corporations and the government in order to pass on the costs of the coronavirus crisis to workers. While the federal government and the European Central Bank are pumping hundreds of billions of euros into companies and banks, the IG Metall has agreed to a wage freeze for the approximately four million workers in the metal and electrical industries.

Last week, the IG Metall in North Rhine-Westphalia signed a wage agreement extending the current agreement, which expires on March 31, until the end of the year without any wage increases. In addition, it contains regulations allowing companies to put workers on short-time work at 80 percent of their basic salary at little cost to themselves.

The government's short-time allowance of 60 percent (67 percent for parents) of the last net wage is topped up by "melting down" special payments such as holiday and Christmas bonuses, so the workers have to pay for them themselves. A similar regulation had already been agreed by IG Metall during the financial crisis of 2008-09.

The only burden on companies is 350 euros per short-time worker, which they pay into a so-called "solidarity pot." Works councils and management decide on its use in works agreements; if the company is in a bad economic situation, it can also be paid back to the company.

As is usual with such pilot agreements, the IG Metall executive board has recommended that it be adopted nationwide and extended to other areas. IG Metall is aiming for similar arrangements "in the short term in other sectors as well," it states on its website. The wage freeze is thus to apply to the entire economy. Pensioners, whose pensions are adjusted annually in line with wage trends, will also feel the consequences

next year.

IG Metall's pilot agreement continues the social redistribution that has been taking place for decades from the bottom to the top of society. Those in power are using every opportunity to profit even from the biggest crisis. After the ruling class has cut the health sector cut to the ground and earned billions from its privatisation, the population is now supposed to pay for the coronavirus crisis—with its jobs, wages, social achievements, health and lives.

But the solidarity between IG Metall and the corporations goes far beyond further social redistribution. It takes place in the midst of a crisis that confronts masses of workers with the bankruptcy of capitalist society. The coronavirus crisis is not a purely natural phenomenon. Scientists have long foreseen and warned of it. At least since the SARS epidemic 17 years ago, it was considered certain that such a pandemic would develop sooner or later.

But the ruling class has sabotaged all preventive measures. It has ruined the health sector through austerity programmes and privatisation, deprived the development of vaccines of resources and subordinated all social needs to the obscene enrichment of a few. In response to the crisis, it continues this criminal irresponsibility. Trillions are being pumped into the financial markets, while elementary countermeasures, such as widespread testing or the closure of non-critical businesses, are not being implemented.

Enormous class conflicts are looming. This is the deeper reason for the solidarity of IG Metall with the corporations and the government. In January, it had already offered the car companies a "Moratorium for a Fair Transition." This was a standstill agreement, the most important task of which is to stifle any resistance to mass layoffs in the car industry, as we wrote at the

time. The union feared that—as in France and other countries—fierce class struggles would develop in Germany and wanted to prevent them at all costs.

In the coronavirus crisis too, the trade unions see their main task in suppressing class struggles and maintaining the bourgeois order. In doing so, they are continuing a long counterrevolutionary tradition. In the First World War, they made a “truce” with the Kaiser and capital and sent hundreds of thousands of their members to the battlefields. On May 1, 1933, three months after Hitler came to power, the Allgemeine Deutsche Gewerkschaftsbund (General German Trade Union Confederation) called for marches under swastika flags, only to see the fascists storm union offices a day later.

This continued after the Second World War in all critical periods—using the protests and strikes at the end of the 1960s, the reintroduction of capitalism in East Germany and Eastern Europe from 1989 to 1991, the adoption of the Hartz welfare and labour “reforms” in 2004-2005, up to the financial and economic crisis of 2008-2009.

The trade unions have always stood and still stand on the side of the ruling class. But while they were able to negotiate concessions for workers on a national level until the 1980s, the globalisation of production has led to their complete dedication to the corporations and the ruling elite. They help work out and enforce the attacks on jobs, wages and working conditions. They are accomplices of the top corporate managers, the shareholders and those in power. To call them workers’ organisations would be completely wrong.

Workers need new organisations and a political programme that is aimed at the socialist transformation of society. All those who are not prepared to sacrifice their health and lives to the corporations and who want to fight for a just, egalitarian society on a socialist basis are invited to contact us.



To contact the WSWs and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://www.wsws.org/contact)**