# German and French trade unions back Merkel and Macron's recovery programme

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**30 May 2020**

The major German and French trade unions have expressed their support for the European recovery plan proposed by German Chancellor Angela Merkel and French President Emmanuel Macron. In a joint declaration on May 20, the German Trade Union Confederation (DGB) and the French trade union federations CFDT, CGT, FO, CFTC and UNSA "expressly welcome the Franco-German initiative for economic recovery in Europe after the coronavirus crisis presented by the French president and the German chancellor on May 18, 2020."

The unions describe the initiative as a "change of direction towards more solidarity between the member states of the European Union [EU]" and proclaim: "We are convinced that our two countries must now assume their special responsibility to ensure that the European Union emerges stronger, more socially equitable, more democratic, more responsible and more environmentally friendly." The task now was to "convince all other EU member states of the Franco-German proposals so that after the crisis we can build a more sustainable Europe based on more solidarity."

These highly paid union officials are well aware that Merkel and Macron's proposal has nothing to do with social justice, democracy and environmental sustainability. Neither does it serve European solidarity—let alone solidarity with the millions of workers, clerical employees and self-employed who are losing their incomes and livelihoods due to the coronavirus crisis. Instead, the fund—like the numerous national aid programmes and European Central Bank's bond purchases—will continue to inflate the equity portfolios and bank accounts of the rich.

As we demonstrated in an earlier article, the main aim of the Franco-German initiative is to reinforce European companies in their trade war with rivals, particularly the US and China. Accordingly, "strategic projects" are to be promoted and "global champions" built up. The coronavirus crisis is to be used to reorganise the European economy in the global battle for markets and profits.

In particular, the economies of weaker EU countries, for which the fund is primarily intended, are to be restructured. It goes without saying that this will involve mass layoffs, and cuts to wages and social benefits. Major corporations in the auto, aerospace and steel industries as well as numerous other industries have already announced tens of thousands of layoffs.

The reconstruction plan, presented by EU Commission President Ursula von der Leyen in more detail on May 27, is expected to total €750 billion, of which €500 billion will be allocated in the form of grants and €250 billion as loans. In order to finance the package, the EU Commission will break with previous practice and borrow money, which is then to be repaid from the EU budget between 2028 and 2058.

As the EU budget is financed by the member states, they will then have to repay the programme according to their economic weight. Also in consideration are new import taxes to directly boost the EU budget. The main recipients of the programme will be Italy (€82 billion in grants/€91 billion in loans), Spain (€77/€63 billion) and Poland (€38/€26 billion). France and Germany are also slated to receive grants of €39 billion and €29 billion, respectively.

An EU summit will discuss the proposal on June 18–19. At least one further summit will be necessary, however, until an agreement is reached.

As the funds are allocated within the framework of the EU budget, they are subject to strict neo-liberal requirements, as is the case for all EU programmes. Von der Leyen wants to ensure that the annual

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recommendations from the EU Commission for the economic and financial policies of member countries, which have so far largely been ignored, are binding on the recipients of grants. Brussels could then dictate cuts in social, educational and cultural spending, as it did after the 2008 financial crisis in Greece.

The exact use of the funds is still under debate. In addition to traditional regional and structural aid, subsidies for climate protection, renewable energies, digitisation and, above all, armaments production are also under discussion.

The trade union declaration of support, which is only one-and-a-half pages long, is a signal to the rulers in Paris and Berlin and the EU Commission in Brussels that they can rely on the unflinching support of the trade unions in combating their rivals in the global trade war and implementing the consequent attacks on the working class.

The unions are already in the forefront of driving workers back into the factories where they risk their health and lives due to the continuing risk of infection. To give one example, IG Metall and the works council in Wolfsburg organised a three-day light show on the wall of the Volkswagen plant in the city to promote the return of workers to Europe's largest car factory. For years, every plant closure and layoff plan in Germany has borne the signature of union officials.

The coronavirus crisis, however, has hugely intensified the tendency towards corporatism—i.e., the fusion of entrepreneurs, unions and government. The greatest economic downturn since the 1930s has to a great extent swept the carpet from beneath the so often praised free-market economy. Governments are pumping billions of euros and dollars into aerospace, auto and other corporations, and even becoming shareholders to strengthen their own companies in the struggle to survive against competitors.

This form of nationalisation has nothing to do with socialism. Rather, it serves to defend corporate profits against international rivals and claims made by workers and is inevitably linked to whipping up nationalism. The unions, nationalist to the core, cannot stand aside. As always in times of crisis and war they jettison even the appearance of representing the interests of their members.

In August 1914, when World War I broke out, Germany's trade unions announced a "truce" with employers and government and sent their members to the front to slaughter French and Russian workers. On May 1, 1933, three months after Hitler came to power, they even marched under the swastika to offer their services to the new regime. Hitler interpreted this as weakness and dissolved the unions the following day.

The unions in France and other countries behave no differently in similar situations. If German and French unions are now giving their support to this latest initiative, it is only because they believe that Germany and France cannot advance their interests on the world market without the EU. At the same time, when it comes to job cuts—for example at Airbus or in the auto industry—the unions divide workers and play off one country and location against another.

The unions' drive to corporatism inevitably arises from their pro-capitalist perspective. It is significant that the CGT, which pretends to be the most radical of the French unions, also signed the joint declaration.

In the fight against the health and social consequences of the coronavirus crisis, workers in Europe confront not only corporations and governments, but also the unions. They must break with these organisations and set up their own independent action committees.

The fight against the consequences of the pandemic is ultimately a political struggle against capitalism. This requires the unity of the European and international working class on the basis of a socialist programme to replace the European Union, the tool of the most powerful capitalist interests, with the United Socialist States of Europe.

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