Germany’s IG Metall union rejects seeking compensation for inflation through higher wages

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Since the beginning of the Ukraine war and the draconian economic sanctions imposed by the German government, energy and food prices have shot up. The constant spread of short-time working has already led to heavy financial losses for working people. Many workers are faced with the question of how they will pay for fuel, rent, heating, loans, and the wellbeing of their families in the future.

Despite the assault on workers living conditions, the IG Metall union has said that current and upcoming collective bargaining negotiations will not address compensation for inflation. “Exorbitant inflation rates are not to be compensated through collective bargaining,” according to Roman Zitzelsberger, district leader of IG Metall in Baden-Württemberg and the union’s negotiator for pilot agreements.

To the question, “Why not?”, Zitzelsberger answered that the high inflation rates were the result of political decisions and therefore had to be corrected by “politics.”

Until now, the trade unions had always said that setting wages was the exclusive responsibility of the collective bargaining partners and that the government had no role to play. Inflation plus productivity growth served as a rule of thumb for calculating wage demands.

Now, Zitzelsberger has turned this upside down and claims that massive income losses caused by price increases are not a yardstick for wage demands and collective agreements. In other words, IG Metall is entering the bargaining round with the declared aim of lowering real wages.

Zitzelsberger thinks he can pull the wool over workers’ eyes by claiming that the government is responsible for compensating for inflation. But everyone knows that the question of price increases has been an important issue in all collective previous bargaining. And now, when price rises threaten an existential crisis for many, this is no longer supposed to be the case!

The truth is that IG Metall is supporting the government and the corporations in carrying out the biggest wage robbery in decades. A few weeks ago, Zitzelsberger signed a joint statement on behalf of IG Metall with the Südwestmetall employers’ association welcoming the “united and determined” response of Germany, Europe, and its allies to Russia’s invasion of Ukraine.

“We support the measures that have been decided,” both federations stressed. Zitzelsberger and employers’ president Porth left no doubt that this also meant the dramatic increase in military spending. They expressly welcomed the sanctions against Russia, despite their dire effects on the population in Russia and at home. “These measures will demand sacrifices from all of us,” the statement said.

Now, IG Metall is forcing workers to make these “sacrifices” by refusing to seek compensation for rampant inflation and agreeing to real wage cuts through the collective bargaining process. As a stooge of the government, it is thus forcing the working class to finance the arms deliveries to Ukraine, the NATO war against Russia and the gigantic military build-up of the Bundeswehr (Armed Forces).

The struggle against war and rearmament has thus become a struggle against the trade unions, which serve as an extension of government and the corporate employers’ organisations.

The same Zitzelsberger who now preaches wage reductions also declares at every opportunity that it is impossible to defend jobs in the auto and supplier industries. He repeats the arguments of the company bosses who have declared war on workers. Not a week goes by without them announcing new mass layoffs. Ford, Daimler, BMW, and Volkswagen, Mahle, Bosch, Continental and ZF, each want to destroy thousands of jobs.

A study by the Friedrich Ebert Foundation, which is close to the Social Democratic Party and the trade unions, predicted as early as three years ago that 500,000 jobs would be lost in the automotive sector. A more recent study by the Ifo Institute predicts the destruction of 178,000 jobs in the

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production sector in the next four years alone. In other sectors, too—at Siemens, ThyssenKrupp, BASF, and the shipyards—massive numbers of jobs will be destroyed.

This jobs massacre is being justified by citing technological changes and the conversion to electromobility. But this is a lie. Technological progress and climate protection are not the reason for the destruction of the livelihoods of millions of people. Technological advances, planned and democratically controlled under a rational social order, could significantly raise the standard of living of all humanity.

What is really at stake is profit. The global car companies and their billionaire shareholders are waging a brutal international competitive battle on the backs of the workers, which is increasingly turning into open trade and military war. They are using the Ukraine war and the pandemic to further increase the exploitation of the working class. They are cutting jobs, intensifying levels of exploitation, lowering wages and closing and relocating entire factories.

The greed of the financial oligarchy knows no bounds. Despite the pandemic and the war in Ukraine, the 40 largest Dax-listed companies in Germany were able to record massive growth and record profits in the first quarter of 2022 alone. Both turnover and profits were higher than ever before, according to audit and consulting firm Ernst Young.

Overall, the turnover of DAX companies rose by 14 percent to €4,44.7 billion compared to the same period last year. Operating profits also improved by 21 percent and totalled €52.4 billion—the highest profits ever measured in the first quarter of a year.

But the unions are preaching sacrifice, demanding wage reductions, negotiating social cuts and agreeing to plant closures and layoffs. The signs point to an approaching storm. More and more workers are realising that a struggle is inevitable. Around the world, resistance is growing. In the US, the biggest strike wave in decades is building. In Sri Lanka, a general strike against inflation turned into an uprising against the government. In Turkey, workers have occupied a car parts factory.

Major class struggles are inevitable. But to win, workers must break with the corporatist trade unions like IG Metall, which is responding to the growing willingness to fight in the factories by clinging even closer to the corporate bosses and the government.

Build independent action committees!

The class struggle is international. Workers face the same multinationals and financial interests all over the world. Therefore, they must not allow themselves to be divided. The struggle against war and military rearmament is directly linked to the struggle against inflation and to the principled defence of all jobs. It demands international collaboration and the coordination of all struggles.

This requires a break with the trade unions and the building of independent rank-and-file action committees. These must organise the struggle against inflation and wage cuts, plant closures, layoffs, and social cuts, and build links with workers in other locations and countries.

A year ago, the International Committee of the Fourth International and its affiliated Socialist Equality Parties initiated the International Workers' Alliance of Rank-and-File Committees to create, as we wrote, "the framework for new forms of independent, democratic and militant rank-and-file organizations of workers in factories, schools and workplaces on an international scale."

It is now a question of building action committees in all workplaces that will make the defence of living standards and jobs a matter of principle.

No sacrifices for the government's war chest and no consent to layoffs and social cuts in the interest of the profits of shareholders and speculators!

The right to work and a decent wage is a fundamental right. The working class must not be allowed to be plunged into misery in the name of war, military rearmament, and the profit interests of the super-rich. It is about defending the livelihoods of the only progressive class that can solve today's burning social problems.

The building of independent action committees is directly linked to the struggle for a socialist perspective. Without breaking the power of the financial aristocracy, not a single problem can be solved. Only the expropriation of the corporations and banks without compensation creates the conditions for democratic control over production. Only then is it possible to develop production according to a plan, in the interests of the working class and the needs of society as a whole.

We invite all workers who are not willing to support war and militarism or accept sacrifices as the unions now demand, and who want to fight back against the attacks of governments and corporations, to contact the Socialist Equality Party, read the *World Socialist Web Site* and subscribe to the*Autoworker Newsletter*.

We provide analysis of the most important political events and inform you about workers' struggles around the world. We will help you to form action committees and develop international contacts. And we are building the Fourth International as an international socialist workers' party.

To contact the WSWS and the Socialist Equality Party visit:

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