

Trade unions, employers associations and government united against the working class

The return of “Concerted Action” in Germany

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During the budget debate in the Bundestag last Wednesday, Chancellor Olaf Scholz (Social Democratic Party, SPD) announced the convening of a “Concerted Action.” He said that he was inviting employers and trade unions to work closely with the government. This was an “unusual” measure but necessary in view of the high level of inflation.

“We need a targeted effort in a very exceptional situation. We want concerted action against price pressures,” Scholz said.

In truth, the chancellor’s proposal is a political conspiracy against the working class. In the face of rapid price increases, unsustainable conditions in hospitals and schools and mass layoffs in many industries, resistance is growing. The ruling class and its institutions are responding by moving closer together.

The Bundestag debate has once again shown that all parties—despite heated exchanges—agree on the fundamental issues. They are all pulling in the same direction on military rearmament, the herd immunity policy of deliberate mass infection and the debt brake. Now the trade unions and the employers associations are to be formally involved in these policies.

The “Concerted Action” has the task of making the working class pay the gigantic sums for military rearmament and the billion-dollar gifts to the super-rich through cuts in wages and social spending. Their textbook is titled “Let the workers pay!”

The depth of the chasm between the working class and the government was shown by a demonstration that took place in Cologne at the same time as the chancellor announced his “alliance with the social partners.” Several thousand workers from the university hospitals in North Rhine-Westphalia, who have been on strike for five weeks, demonstrated against intolerable working conditions. All the demonstrators the WSWS spoke to were outraged that the government was spending €100 billion on a military build-up, while hospitals, schools and other social institutions were being cut.

The employers and trade unions, on the other hand, welcomed the chancellor’s proposal. Employers’ Association President Rainer Dulger said, “We employers are aware of our responsibility. Employers associations and trade unions have always worked constructively on solutions in previous crises. We will do so again this time.”

The new head of the German Trade Union Confederation (DGB), Yasmin Fahimi, said, “The aim of ‘concerted action’ must be to alleviate the current burdens on private households and the economy and to build a more resilient and sustainable economy.”

A look at the current actions of the trade unions shows what is meant by this.

Roman Zitzelsberger, district leader of IG Metall in Baden-Württemberg and a candidate for the head post of the largest single trade union in the

DGB, declared a few days ago that the current and upcoming collective bargaining negotiations were not there to compensate for inflation. “Exorbitant inflation rates cannot be compensated by collective bargaining policy,” Zitzelsberger said. He added that the high inflation rates were the result of political decisions and therefore had to be corrected by “politics.”

Scholz praised the trade unions’ “very prudent wage policy so far.” He referred to the collective agreements in the chemicals sector, which with a one-time special payment for employees, had chosen an “interesting path.” According to Scholz, this path would help workers in times of impending loss of purchasing power, and at the same time such special payments, unlike generally high wage settlements, would not further fuel inflation.

In reality, the path of special payments leads straight to low-wage work and poverty in old age. This is because it keeps collectively agreed wages and pension entitlements derived from them low. This applies not only to future pensions but also to existing pensions, whose annual increase is based on collective wage agreements.

The history of “Concerted Action”

In the Bundestag, Scholz explained that cooperation between trade unions, employers and the state had already helped “to deal with a difficult challenge” in earlier times. Indeed, in times of crisis, the SPD, in particular, has always tried to integrate the trade unions and employers associations into a corporatist model in which they collaborate even more closely than is already the case within the framework of Germany’s legally regulated system of co-determination that provides for so-called “employee representation” (i.e., trade union functionaries) on company boards.

The term “Concerted Action” dates back to 1967. At that time, the postwar upturn was showing clear signs of crisis. In Germany, the turning point in the class struggle had already been heralded in 1963 with a metalworkers strike in Baden-Württemberg, to which the companies responded by locking out hundreds of thousands of workers. In the Ruhr, miners mobilised against deaths in the collieries.

The economically liberal Chancellor Ludwig Erhard (CDU, Christian Democratic Union) proved incapable of dictating an austerity programme (“Show moderation!”) to the working class. To keep the working class under control, the SPD was brought into government in 1966, forming a

grand coalition with the CDU/CSU under Chancellor Kurt Georg Kiesinger (CDU), a former Nazi Party member.

In 1967, the grand coalition passed a “Law to Promote Stability and Growth in the Economy,” which bore the signature of the SPD. It obliged the federal and state governments to “observe the requirements of macroeconomic equilibrium in their economic and financial policy measures.” The law stated that the measures must be taken “in such a way that, within the framework of the market economy, they simultaneously contribute to the stability of prices, to a high level of employment and to external economic equilibrium with steady and appropriate economic growth.”

The law explicitly included trade unions and business associations. If one of the above-mentioned objectives was endangered, Paragraph 3 stated that “the federal government shall provide orientation data for a simultaneous coordinated behaviour (Concerted Action) of the regional authorities, trade unions and business associations to achieve the objectives.”

The law did not go so far as to completely abolish trade union autonomy in collective bargaining, as is the case with the corporatism of fascist states. But by obliging the unions to be guided by “macroeconomic” goals—rather than the interests of their members—it was a big step in that direction.

The unions went along willingly. From then on, they met regularly for rounds of talks with representatives of the government, employers associations and the Bundesbank (central bank) and committed themselves to a policy of wage restraint. The Social Democratic Minister of Economics Karl Schiller spoke of a “table of social reason.”

However, this went completely adrift. The wave of radical industrial actions that culminated in a four-week general strike in France in 1968 did not stop at the borders of Germany. The trade unions lost control of their members. In September 1969, spontaneous strikes developed in the steel industry, breaking the wage guidelines to which the IG Metall had committed itself for over 8 million workers.

In 1973 there was another wave of spontaneous strikes. Among others, 12,000 workers occupied the Ford plant in Cologne. Here, the IG Metall helped break the strike and sack the strike leaders.

Nevertheless, in order not to lose their influence completely, the unions had to abandon the policy of wage restraint. In 1977 they also formally ended their participation in the Concerted Action.

After German reunification in 1991, when hundreds of thousands of jobs were destroyed in East Germany within a very short time, former Economics Minister Karl Schiller and former Chancellor Helmut Schmidt (both SPD), with the support of the trade unions, called for a “new all-German edition of the Concerted Action.”

The *Neue Arbeiterpresse*, predecessor of the WSWS in Germany, commented at the time that the original Concerted Action had “blocked the offensive of the working class through a series of concessions.” Now the task of Concerted Action would be “the opposite: to push through future mass layoffs, wage cuts and budget cuts against the working class.”

Today, it would have the task of forming a kind of “Joint High Command” of the German banks and corporations for their trade wars and wars for sales, markets, sources of raw materials and spheres of influence. The trade union bureaucrats would not only play the role of a wages police and “rationalisation experts”—intensifying exploitation in the factories and monitoring the industrial truce—rather, they are already offering themselves as the smarter and more ruthless managers and strategists for the class war at home and the economic war abroad (*Neue Arbeiterpresse*, February 21, 1992).

Chancellor Helmut Kohl (CDU) was not averse to the idea but decided against reviving the Concerted Action. He knew he could count on the support of the trade unions even without a formal alliance.

Concerted Action was revived in 1998, after the election victory of the SPD and the Greens, by the new federal government under Gerhard Schröder but under a new name. It was now called the “Alliance for Jobs, Training and Competitiveness.” Between December 1998 and March 2003, the Alliance met nine times for top-level talks. In addition to the chancellor, the chancellery minister and other relevant ministers, four chairpersons of the business and employers associations and five trade union chairpersons took part.

At these meetings, the concepts were elaborated that later found their way into Schröder’s “Agenda 2010.” In particular, the creation of a low-wage sector, the flexibilization of working hours, the reduction of non-wage labour costs (i.e., social benefits) and tax cuts were central themes. Before Agenda 2010 was announced, the alliance was then declared a failure, but the authors of the Agenda—Chancellery Ministers Bodo Hombach and Frank-Walter Steinmeier—had also been leaders in the Alliance.

The history of the Concerted Action makes it clear which tradition Chancellor Scholz is following. Today, the economic and political crisis is far deeper than in the 1960s or 2000s. Concerted Action today is directly linked to restricting the right to strike and dictatorial measures to force the working class to finance the costs of the billion-dollar programmes for the corporations and the rich and the biggest rearmament offensive since Hitler.

The trade unions have long since ceased to represent the interests of the workers, even minimally. They consider wage and social cuts necessary to improve German competitiveness on the world market. Works councils, full of union bureaucrats, act as company police and stifle any resistance from the workers.

The incorporation of the trade unions into government structures and company management is closely linked to globalisation. The worldwide integration of the economy and transnational production processes have deprived the trade unions of the national ground on which they could exert pressure for limited social reforms in the past. Support for rearmament and war to secure raw material supplies, sales markets and access to cheap labour is the logical extension of this nationalist policy.

Leon Trotsky, the most outstanding Marxist of the 20th century, had already written in 1940:

There is one common feature in the development, or more correctly the degeneration, of modern trade union organizations in the entire world: it is their drawing closely to and growing together with the state power. ...

Monopoly capitalism does not rest on competition and free private initiative but on centralized command. The capitalist cliques at the head of mighty trusts, syndicates, banking consortiums, et cetera, view economic life from the very same heights as does state power; and they require at every step the collaboration of the latter. In their turn the trade unions in the most important branches of industry find themselves deprived of the possibility of profiting by the competition between the different enterprises. They have to confront a centralized capitalist adversary, intimately bound up with state power. Hence flows the need of the trade unions—insofar as they remain on reformist positions, i.e., on positions of adapting themselves to private property—to adapt themselves to the capitalist state and to contend for its cooperation (Leon Trotsky, *Trade Unions in the Epoch of Imperialist Decline*).

The working class can only resist the assault on its rights and social gains and the danger of a third world war by building independent rank-and-file action committees and fighting for socialist policies that place social needs above the profit interests of the corporations, and the international unity of the working class above the national interests of the ruling class.



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