

German government, employers and unions join in a “Concerted Action”--an alliance against the working class

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On Monday afternoon, the participants of “Concerted Action” met for the first time in the German Chancellery. Chancellor Olaf Scholz (Social Democratic Party, SPD) had invited eight representatives of the trade unions, eight from the business associations, the president of the Bundesbank and a member of the Economic Experts Council to discuss reactions to the galloping inflation. Economics Minister Robert Habeck (Greens) and Finance Minister Christian Lindner (Liberal Democrats, FDP) also attended the meeting.

Officially, according to the Chancellery, the aim was to “prevent or mitigate real income losses and at the same time avert the risk of a price spiral.” Scholz spoke of a “social round table of reason”: difficult problems could be solved better by working together than by working against each other.

In fact, Concerted Action is a conspiracy against the working class. Its real aim is to make working people pay for the horrendous costs of military rearmament and the consequences of the NATO offensive and the economic war against Russia, while preventing any resistance to it.

The trade unions play a key role in this. They are making their extensive apparatus of functionaries available to push through the most extensive wage and social cuts since the 1930s, in close collaboration with the government and corporations.

The official inflation rate is already close to eight percent, and experts say it could rise above ten percent by the end of the year. Food prices have increased by 12.7 percent and energy prices by 38 percent in one year. There is no end in sight to the increases. If there is a complete cut-off of Russian gas supplies this year—which is increasingly likely given the systematic escalation of the war on the part of NATO—economists expect a severe recession.

Under these circumstances, the most important task of Concerted Action is to prevent workers from clawing back the massive real wage losses by taking industrial action for higher wages. This is what the Chancellor's Office understands by talk about preventing at all a costs a “wage-price spiral.”

Chancellor Scholz and Employers' President Rainer Dulger had laid down the line before the meeting.

In his “summer interview” with broadcaster ARD, Scholz described the exploding prices as “social dynamite.” “If suddenly the heating bill goes up by a few hundred euros, then that is a sum that many cannot really cope with,” he said.

Dulger made clear that the employers would not be satisfied with just the federal government's relief packages, which are nothing more than a drop in the ocean anyway. He openly threatened to suppress industrial action. He told journalists in Berlin last Wednesday evening that he was very displeased with the warning strikes by dockworkers at a time when companies urgently needed materials. He called for a “national state of emergency” that would also make strikes illegal—in other words, a kind of martial law against strikers.

He justified his demand saying, “The fat years are over for now.” Germany had been tumbling through a “prosperity and feel-good oasis” for many years, but that was now over. “We must now talk together more and more often about this: What are we doing to keep our economy going?”

After the Concerted Action meeting, Scholz, Dulger and German Trade Union Confederation (DGB) leader Yasmin Fahimi provided brief statements at a press conference, without answering any questions. All three praised the close collaboration and confirmed they would

meet regularly in this format in future. Initially, the aim was to gain a “common understanding” of the situation; later, they would decide on concrete measures.

Scholz told the audience to for a long-term crisis over high prices. “The current crisis will not pass in a few months,” he said. “We have to prepare ourselves for the fact that this situation will not change in the foreseeable future.” He cited the war in Ukraine and supply chains disrupted by the pandemic as reasons. “We will only get through this crisis well as a country if we get our act together, if we agree on solutions together,” he said to approving nods from Dulger and Fahimi.

Employers’ President Dulger spoke of hard times. “This country is facing the toughest economic and socio-political crisis since [German] reunification,” he declared. “Difficult years lie ahead of us.” Steady economic growth, as before the pandemic and the Ukraine war, could no longer be taken for granted, he said, and great challenges lay ahead for companies and their workforces. The meeting had helped to maintain “social peace,” he said, adding, “We can only overcome this crisis together.”

“DGB leader Fahimi thanked Scholz for the invitation and emphasised that a “joint effort” was now needed. She praised the federal government’s relief packages, which lightened average household budgets by an “appreciable sum” and were “definitely helpful.” It was now urgent to talk about “how energy costs can actually be managed for private households as well as for businesses.” It was a matter of “doing everything now to prevent a recession, to stabilise production locations, to maintain value creation chains and to secure employment.”

This is the language of a co-manager who views economic life from the same perspective as a shareholder or corporate CEO. Fahimi did not even hint at the possibility that the unions would fight for inflation compensation on the wages front. There was agreement, she stressed, that there was no danger of a “wage-price spiral” happening—which Dulger also confirmed.

Fahimi embodies the out-of-touch trade union apparatus that has fully integrated itself into the government and business camp and sees itself as a force for order vis-à-vis the workers. Before she was elected head of the DGB, she was SPD General Secretary and State Secretary in the Ministry of Labour. Her life partner is Michael Vassiliadis, president of the IG BCE chemical union.

The notoriously right-wing IG BCE agreed in February on a lump-sum payment of €1,400 for the 580,000 workers in the chemicals industry instead of an increase in basic wages—a model that Chancellor Scholz also supports

and even wants to make tax-free. Although such lump-sum payments reduce the immediate financial pressures, they lead to a massive reduction in real wages, since in the long run they do not increase the basic wage level.

The Concerted Action, which Scholz has now revived, follows a model from 1967. At that time, SPD Economics Minister Karl Schiller had reacted to the first recession in post-war West Germany, in which 500,000 workers lost their jobs, by convening a Concerted Action, which agreed on low wage settlements. Over the following two years average real wages fell by 1.6 and 1 percent respectively.

Workers did not put up with this. In September 1969, workers staged nationwide wildcat strikes, in defiance of the unions, and won massive wage increases. The unions were forced to raise their own demands in order to regain control.

Today the unions are no longer able to adapt to worker anger. They have completely degenerated into bureaucratic appendages of management and the government. While they still have a powerful apparatus, which they use to intimidate workers, their influence has greatly diminished. The membership of all the DGB unions has shrunk from 11.8 million in 1990, the year of German reunification, to 5.73 million. According to a recent survey, only 26 percent of companies and 51 percent of workers in Germany are still covered by a sector or in-house collective agreement.

Wages, social achievements, and jobs can only be defended in a rebellion against the trade unions and their policy of “social partnership.” What is needed is the building of rank-and-file action committees democratically controlled by the workers.

The International Committee of the Fourth International has set up the International Workers Alliance of Rank-and-File Committees (IWA-RFC) to give direction to these committees and to coordinate them internationally.



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