

# German trade unions and employers conspire against the working class in a new round of the “Concerted Action”

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18 September 2022

September 15 witnessed the second meeting of the so-called “Concerted Action.” German Chancellor Olaf Scholz (Social Democratic Party, SPD) once again invited the country’s “social partners,” i.e., trade union and business leaders, to a joint meeting at the chancellery. The first, somewhat more comprehensive, meeting took place at the beginning of July.

At the first meeting, Scholz referred to a “social round-table of responsibility” aimed at “preventing or mitigating real income losses.” Since then, the full extent of the inflationary wave engulfing working class households has become visible. Exploding energy and food prices are causing hardship even for high-bracket earners.

Nevertheless, the German government, a so-called traffic light coalition of the Social Democrats, Green Party and the Free Democratic Party, is determined to continue its confrontation with Russia and place the full burden of the war and the horrendous costs of military build-up squarely onto the shoulders of the German population. This has been most recently confirmed by the government’s “relief package.” The big corporations receive fresh infusions of financial aid, despite making billions in profits, while workers, pensioners and students face drastic cuts in income.

At the beginning of last week, contract bargaining started in the country’s metal and electrical industry, which includes the defence industry. The IG Metall union is demanding an 8 percent pay rise over a 12-month period, which means a reduction in real incomes in view of the expected double-digit inflation rate.

The negotiation result applies to 3.8 million workers and is considered a guideline for other sectors. Contract bargaining for the 580,000 workers in the chemical and pharmaceutical industries will follow in mid-October, and at the end of the year the contracts for 2.7 million workers

in federal and municipal governments, the retail sector, the auto and main construction industries, all expire.

These contract disputes must be turned into an offensive against war and its social consequences. In order to compensate for inflation and former real wage cuts, large double-digit wage increases must be fought for. But this is precisely what the Concerted Action is designed to prevent.

The second round served to ensure that the unions do not permit wages to match up with inflation and, thereby, sink incomes. The close cooperation between the government, business associations and trade unions, demagogically dressed up as “social partnership” and “mutual support in the interest of all,” is in fact a conspiracy against the working class.

The trade unions play the key role in suppressing all resistance. The government and the employers are counting upon their bloated apparatus of functionaries to enforce the most extensive wage and social cuts since the 1930s. IG Metall alone has 50,000 works councils and 80,000 shop stewards in the factories. About 1,700 IG Metall representatives sit on company supervisory boards, where they work closely with management and are, in turn, handsomely rewarded.

After the Concerted Action meeting, Chancellor Scholz, employers’ president Rainer Dulger and DGB president Yasmin Fahimi appeared before the press and made short statements, which were almost identical in wording.

The chancellor began by saying that he was well aware of the concerns of people “because of the sharp rise in prices.” He said he knew many people felt “inflation when shopping at the supermarket, at the petrol station, when paying their heating bills.” He praised the measures taken by his government so far and repeated his ridiculous slogan, made popular in the world of football—“You’ll

never walk alone.”

Then Scholz got down to business. He warned against excessive wage demands and stressed that many companies were also facing existential hardship due to high energy prices. He said that he had “made the contract partners an offer to exempt additional payments of up to €3,000 from taxes and levies.”

With this offer, Scholz is trying to pave the way for another negative pay round, after IG Metall agreed just one contractual additional payment for workers in the metal and electrical industry since 2018. While such lump-sum payments can alleviate immediate financial pressure in the short term, they lead to a massive reduction in real wages in the long term.

DGB leader Fahimi thanked the chancellor and the government for their “great efforts so far,” all of which were “also very widely documented.” She warned, however, that a “fast pace in implementing results and finding solutions” was now necessary. “The dynamics of the problems and challenges are virtually overtaking us from week to week,” she said.

“We, the trade unions, are of the opinion that we need further short-term measures this year with a view to stabilising purchasing power,” she stressed, explicitly supporting “the offer of the federal government to allow additional payments of up to €3,000 tax-free.”

She then called for “aid and protective measures for the economy” to avoid a wave of bankruptcies with catastrophic consequences.

Fahimi embodies a trade union apparatus that has fully integrated itself into the government and business camp and sees its role as a police force against workers. Before her election to head the DGB, Fahimi was general secretary of the SPD and state secretary in the Ministry of Labour. Her partner is Michael Vassiliadis, president of the conservative chemical union IG BCE.

Employers’ Association President Dulger thanked the chancellor for “a good discussion ... based on the agreement that in the current situation we can only act together.”

Dulger said that the federal government’s “willingness to allow employers to make one-off payments to their employees free of taxes and levies” was to be expressly welcomed. However, he emphasised, “not all companies can afford these one-off payments.” He added: “The government has already set many things in motion. We are pleased about the chancellor’s promise of more concrete solutions in the short term.”

The employers’ president had already made clear at the

beginning of July what he required for his cooperation with the government and trade unions when he publicly threatened to suppress industrial action. Short term “warning strikes” by dockworkers had “greatly displeased” him, he told journalists in Berlin, and he called for a “national state of emergency” that could break strikes—in other words, the implementation of a kind of martial law against strikers.

“The fat years are over for now,” he said, explaining his proposal. Germany had for many years staggered through an “oasis of prosperity and well-being,” but that was over.

The Concerted Action, which Scholz has revived, has its roots in the model introduced in 1967. Back then, SPD Economics Minister Karl Schiller had reacted to the first recession in the Federal Republic, in which 500,000 workers lost their jobs, by convening a Concerted Action, which agreed on low wage settlements. In the following two years, average real wages fell by 1.6 and 1 percent respectively.

Workers were not prepared to accept this and in September 1969, nationwide wildcat strikes, over which the unions lost control, won massive wage increases. The unions were forced to raise their own initial demands to regain control of the situation.

Today they are no longer able to do so. They have completely degenerated into corporate shills. While they still have a powerful apparatus to intimidate workers, their influence has greatly diminished. The membership of all DGB unions has shrunk from 11.8 million in the year of German reunification (1990) to 5.73 million today. According to a recent survey, only 26 percent of companies and 51 percent of workers in Germany are still bound by a regional or in-house collective agreement.

Wages, social gains and jobs can only be defended in a rebellion against the unions and their policy of “social partnership.” Workers must use the current round of contract negotiations to wrest control from the union apparatus. To do this, action committees must be built that are 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 action committees and coordinate them internationally.



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