

7 million workers in contract struggles in Germany: Build independent action committees!

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The end of September marked the second round of contract bargaining for Germany's 3.8 million workers in metal and electrical industries. According to German labour law, strikes are banned as long as a contract has been agreed. In response to the imminent expiration of the current contract, short-term "warning strikes" are already being prepared in many companies.

The German Chemical Workers Union, the IG BCE, is also conducting contract bargaining for 580,000 workers in the chemical industry. Such bargaining, due to be held last spring, was postponed until autumn due to the economic crisis and will now be continued in October. In addition, the contract agreement for about 2.3 million public sector workers expires at the end of the year. On October 11, the main public workers union, Verdi, is due to announce its wage demands.

This means that officially almost 7 million workers are involved in wage disputes this autumn and winter.

The situation for workers is more acute than at any stage since the end of World War II. Millions of working families face massive price increases. The increase in prices for basic foodstuffs and transport costs far exceed the official inflation rate of 10 percent by a factor of two or even three. Added to this are price increases for heating and electricity often amounting to a 200 percent rise or even more.

Galloping inflation and an energy price explosion are the direct consequences of the war policy and above all the sanctions against Russia adopted by the German government, the so-called traffic light coalition of the Social Democrats (SPD), Green Party and the Free Democratic Party. Real wages in Germany are shrinking at a record pace and there is a widespread sentiment in the workforce that major wage increases must be fought for to prevent millions of workers and their families slipping into poverty. This is the case in all branches of industry and the public sector.

At the same time, many companies affected by increased energy costs are passing off these costs to workers via drastic rationalisation measures, mass layoffs and plant closures. While the German government is providing generous financial support to major companies and armament corporations, small and medium-sized enterprises are being driven into ruin. Many workers are threatened with the loss of their jobs on top of the burden of inflation.

This means the current contract bargaining disputes take place in the shadow of the war policy of the traffic light coalition. At stake is the extent to which the costs of the war against Russia in Ukraine and the gigantic rearmament of the Bundeswehr will be passed on to the working class.

Under these conditions the current round of wage negotiations assumes immense political importance. The talks are not only directed against the employers but also against the government and must become the starting point for an offensive against the war and its social consequences. In order to compensate for current inflation levels and earlier real wage cuts, high double-digit wage increases must be fought for.

The policy of the metal workers union, the IG Metall, and all the other unions, however, is diametrically opposed to such a development. The unions have made a pact with the government, in the form of the so-called "Concerted Action," and are doing everything they can to prevent any serious strike action and thereby fob off the workers with a pittance.

IG Metall is demanding just an 8 percent increase over a period of 12 months, although union shop stewards from the factories already put forward much higher demands in regional meetings held in July and August. In view of the real price increases, which far exceed the official inflation rate, even the full implementation of the 8 percent demand would result in a significant reduction in real wages.

But IG Metall has already made clear it has no intention of coming close to enforcing its own demand. IG Metall boss Jörg Hofmann stressed—following protests from business associations—that between the union's demand and a final agreement lies a negotiation process that must take into account the "interests of both sides."

The IG Metall executive agrees with the government and big companies that the costs of the war be passed onto workers. The union is thus continuing its wage-cutting policy of recent years. Since 2018, it has agreed on just a single additional payment under contract for workers in the metal and electrical industries.

Although workers have suffered hefty wage losses in the pandemic due to short-time working, they received no extra compensation in the "zero" contract rounds in 2020 and 2021. Workers in East Germany are particularly affected. Three decades after the reunification of the country, wages in the East are still significantly lower than in West German states, while prices and price increases are the same.

The result of this union wage squeeze—combined with the "rescue packages" and generous financial injections by the government into key enterprises—has been a profit bonanza and exorbitant bonuses for company heads. There is a gold rush atmosphere in many executive suites.

Here are just a few examples: VW's core brand increased profits by more than a quarter to €10.6 billion in the first half of 2022. Audi improved from €3.3 billion to €5 billion in the first half of the year,

Porsche from €2.7 billion to €3.3 billion. Mercedes-Benz made a profit of €9.8 billion and increased its margin to 12.7 percent.

The country's defence companies, above all industry leader Rheinmetall, posted record profits in the first half of the year. Rheinmetall increased its profits by 8 percent to €206 million, based on a 3.5 percent rise in sales to €2.7 billion.

Under the headline "Salaries soar in top echelons," the *Manager Magazin* reported that the salaries of the top managers of the 40 Dax corporations rose by 24 percent last year "thanks to exploding company profits."

This means that the Dax bosses earn on average more than 50 times as much as their tariff-employed skilled workers. The top performer is Linde boss Steve Angel, with an annual salary of €19 million (€1.58 million a month or €75,000 per working hour), followed by ex-VW boss Herbert Diess, with €12 million.

The union officials who sit on company supervisory boards have given their blessing to this orgy of enrichment and in turn receive lavish bonuses, which allows millions to flow into the union coffers. This intimate connection between corporations and trade unions is complemented by an equally close cooperation with the government. Immediately after the war in Ukraine began, Chancellor Olaf Scholz (SPD) revived the Concerted Action in order to shift the consequences of war, rearmament and corporate enrichment onto the working class and suppress all resistance.

After the last meeting of the Concerted Action, Scholz stressed that the government was making the situation easier for the corporations and trade unions with its "Third Relief Package"—via the mechanism of special payments—and impose another zero round in the new contracts. Such special payments are exempt from tax and social security contributions up to an amount of €3,000.

Although in many cases these one-off payments are insufficient to finance the increased energy costs, IG Metall and the other trade unions are again trying to impose a zero round or low settlement—i.e., another de facto real wage reduction—via such special payments.

As was the case at the beginning of the World War I, when the trade unions entered into a truce with the imperial government and the employers' associations, they are once again closing ranks with the government and employers. This support for the war results directly from the nationalist policy of the trade unions, which is directed towards the defence of their respective national/regional/local industrial base.

Under these conditions it is vital that workers break free from the control of IG Metall and the other unions and build independent action committees and unite internationally to organise the struggle against war, job and wage cuts.

This new form of organisation based on building independent action committees is necessary to organise the current contract bargaining struggles as part of an international mobilisation of the working class. All over the world, more and more workers are taking part in strikes and protests. They are fighting job cuts, wage dumping, the health hazards from the coronavirus and inflation triggered by the drive to war.

Across the globe, however, these struggles come up against obstacle of the trade union bureaucracy. In Germany, this was most recently the case for nursing staff in the state of North Rhine-Westphalia who worked for Uniklinken and whose 12-week strike was sold out by Verdi. In the region of Saarlouis, Ford workers were recently sold out by IG Metall and its affiliated works council, which are organising the closure of the plant while preventing an international struggle for jobs

by all Ford workers at all sites.

In response to the complete transition of the trade unions into the camp of the class enemy, the International Committee of the Fourth International and the Socialist Equality Party have created the International Workers Alliance of Rank-and-File Committees (IWA-RFC). This involves building a network of independent committees under democratic workers' control. Such action committees have already been set up in many countries by workers in different industries. In Germany, auto workers, care workers and transport workers, among others, have begun to set up such independent action committees.

In the US, Will Lehman, an auto worker at Mack Trucks and a socialist running for UAW president, is spearheading this movement. His campaign aims to build a mass movement among workers directed against the union bureaucracy and has won considerable support from autoworkers in the US and around the world.

Four key demands are at the heart of Lehman's campaign for UAW president:

- Not a reform of the bureaucracy, but rather its dismantlement;
- Abolition of all bodies where the UAW sits together with employers, which serve only to remunerate the union's apparatus;
- Unrestricted workers' control and authority over all contract bargaining, vote counting and regulations affecting workplace safety and security;
- Fight for a programme that includes everything workers need: massive wage increases, automatic adjustment of wages for rapidly rising inflation, equal pay for equal work, and comprehensive health and pension benefits for workers and retirees.

Here in Germany, workers face the same task and must wrest control from IG Metall and the other unions. The warning strikes already announced must be used to build a broad mobilisation. The process of contract bargaining must no longer take place behind closed doors. In view of the dramatic price increases, workers' assemblies must be convened to redefine their demands and monitor negotiations.

The union must not be allowed to once again agree a drastic real wage cut in support of the government's war policy.

The defence of wages, social gains and democratic rights is inseparable from the struggle against war, which has its roots in the capitalist profit system and whose consequences affect the entire international working class. Workers must therefore unite internationally to defend their living standards against incessant attacks, based on a socialist perspective.

This is the only way to avert the danger of a devastating third world and the effects of war in the form of job cuts and huge reductions in real wages. We call on all workers to contact us by WhatsApp at +491633378340 or register below to build action committees.



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Socialist Equality Party visit:

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