

No time to lose

**11-point programme
for a modern, innovative
and fair industrial nation**



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We want Germany to remain successful as an industrial nation. Our target: to stay at the forefront when it comes to innovation and new technologies. We need to shape the transformation to a sustainable economy – socially, ecologically and democratically. We expect employers to commit to their location and to invest here. The government, too, needs to invest wholeheartedly in the transition. This is the best way to create lasting prosperity and good, secure jobs – for today and tomorrow. And it is the best way to generate willingness for the ecological transition. In doing so we will strengthen the foundations of democracy. Employers and politicians are not currently pursuing this with the necessary determination. While China is supporting its economy on a grand scale with its aggressive innovation and industry policy, and the US has adopted a far-reaching "Inflation Reduction Act", Germany is holding doggedly to its "debt brake". The result? Germany is at a standstill and in danger of losing ground in the global competition. There is no time to lose. The situation is already threatening the existence of many companies and sectors. One thing is clear – there will be future success only with the employees. They are the drivers of innovation. They work hard to bring about technological and economic progress. They have a right to benefit fairly from the prosperity, progress and development. Counterproductive now would be to question the welfare state and to demand ever-longer working hours and working lives. That is the opposite of fairness. Our members are standing by, ready to bring about the change. Electric cars, high-speed trains, modern aeroplanes and ships, sustainable storage systems, microelectronics, green steel, solar panels on roofs, heat pumps? We can! Let's do it! These and more like them. Everyone stands to benefit. We want to ensure that industry stays successful. To achieve this, IG Metall has drawn up an 11-point programme.

1. Germany must remain an industrial nation

Industrial goods and services are at the heart of the German economy. They guarantee our country's prosperity. At least one third of Germany's gross value added is directly dependent on its industry. Many other sectors, including the service sector and the skilled trades, also benefit from a thriving industry. Decent salaries for industrial employees increase their purchasing power and have a positive impact on the economy as a whole. But decent pay should not be taken for granted. Well-organised workforces have had to fight for them, as well as for many other cornerstones of good modern working conditions. The engineering, chemical and steel industries are also important for the energy transition. These are the sectors which develop the climate-friendly products and processes of tomorrow. And which reduce our dependency on other countries. For all these reasons, we are joining forces across industry boundaries, along the entire value chain, across all company areas, from research and development to production and recycling.



2. Employers need to commit themselves to our locations and investing on site

No more job cuts, relocations and site closures. Yes, there is room for improvement. Companies need long-term planning security and stable conditions beyond the life of whatever government is currently in power. However, many of the employers' complaints are simply a smokescreen. A significant number of jobs are relocated because companies have absurdly high expected returns, and because they pay out high dividends. Such hard-nosed shareholder capitalism destroys jobs and weakens Germany as a place for doing business. It is important for companies to invest in the future: in their employees, green technologies and new business models. Moratoriums on new statutory social benefits are not the answer – we need a pact to secure the future of our industrial locations. Trade unions and employers already have plenty of good tools at their disposal which they can use to shape the new era. They just need to be utilised. The best way to improve the situation? With effective worker participation! In Germany and Europe. Worker participation represents democracy in action, but it is also a driver of innovation. We demand more co-determination – in personnel planning and job protection, in support of climate protection and equality, and in the introduction of new technologies.

3. Invest now in a better future

Around 60 billion euros per year, or roughly 1.4 per cent of GDP. That is the additional amount which the German state will have to invest in public infrastructure alone over the next ten years. It is the only way to ensure that the railways, energy grids, 5G networks and charging infrastructure keep working. And the only way to ensure that digitalisation and AI provide our economy with the boost it needs. We need incentives for the production of semiconductors, batteries and hydrogen, for innovation, for research and development, for the development of lead markets – for the ecological transition. We need trains that run, not stand still. Our children and grandchildren should learn in modern, well-equipped schools and universities. For all of this, we are calling for substantial start-up funding, investment premiums, tax breaks and reliable framework conditions for a clearly defined transition period. We agree that permanent subsidies are not the way forward. However, key factors need to be put in place for the future, and companies and consumers need support during the transition phase – for example in the replacement of heating systems, the conversion of blast furnaces, direct reduction with green hydrogen or the establishment of functioning circular economies. These are all aspects of the intergenerational contract as we see it. We want to lay the foundations now for a functioning, sustainable economy.

4. Fairer and more flexible funding

We need a strong state that invests in our future and in the economy. The "debt brake" in Germany has become a brake on investment which, at the very least, needs to be reformed. Our key demand: capital expenditure should not be subject to the debt brake at all. Let's also raise the new debt limit from 0.35 to 1.5% of gross domestic product (GDP). That alone would free up an additional 47 billion euros per year. Another possibility is a special fund for the transformation. At the same time, it is important to ensure fairer distribution of taxes, and to raise public revenue levels. This would allow us to adopt much more equitable income tax rates, including a higher basic tax-free allowance and a higher top rate for the very highest earners. Earned income and capital income must once again be taxed at the personal income tax rate. Furthermore, the wealth tax we are proposing would generate an extra 28 billion euros per year.



5. Companies which seek public funding need to follow rules

We want the state to offer targeted support to key products and technologies. However, we do not believe that tax-payers' money should be used to provide public funding with no strings attached. We need clear rules. Funding should only be provided to enterprises which engage in collective bargaining, help protect jobs and the economic future of their local operations and offer further training and apprenticeships. It is not acceptable for companies to receive subsidies and then cut jobs or relocate and invest in other locations. We need reliability and planning security. Suitable instruments exist for achieving this: future collective agreements and works agreements. This is the only way to ensure that our tax money ends up where it belongs! Around half of all companies are currently investing too little in the future of their local sites. Investment often goes to new production plants, research or IT facilities abroad. This must change, especially if they receive support from the public purse. We need European regulations to help us increase the share of regional value-added. Fundamental reform of European state aid laws is also required. In regions that are still economically successful, it must be possible to provide targeted support in order to preserve the industrial structures.

6. Greatly accelerate the mobility transition

For us, mobility means being able to use the best possible combination of cars, buses, trains and other means of transport – both in the city and in rural areas. Indispensable for this is significantly higher investment in expanding the public transport and railway networks. Our aim is for all modes of transport to become pollution-free. At present, internal combustion engine vehicles are still necessary, as car manufacturers rely on them to earn the money they need for creating the technologies of tomorrow. However, they are not the future. Never-ending debates about phase-out dates and limit values are no help here. On the contrary. Some companies have already invested billions in electric vehicles. Blowing hot and cold about their future jeopardises not only jobs in the sector but also the future of other parts of industry such as the engineering sector. Instead, we are calling on the state and industry to lose no time in putting the necessary framework conditions in place and in creating the prerequisites for true electromobility. Now is not the time for the German automotive industry to slow down in its race to catch up internationally. We need a courageous model policy for new vehicles. There is demand for affordable e-cars. During the transition, we also need incentives for logistics companies to purchase climate-friendly electric trucks. Taxes on the electricity used for charging must be reduced, vehicle tax and company car taxation must be linked more closely to carbon emissions. We also want low-income households to receive support for leasing electric cars. State-funded support measures must apply to all brands – but only to models that are largely manufactured in Europe. And we need charging stations – especially those providing fast-charging – at all petrol stations, in city centres, in underground car parks, outside residential buildings, at workplaces and near to shops – now! Throughout Europe.

7. Tackle the energy transition head on – relieve the burden on energy-intensive companies

The energy price shock triggered by Russia's invasion of Ukraine is still having a strong impact. Production levels in energy-intensive industries have fallen by almost 20 per cent since February 2022. The relief measures taken so far have not proved adequate. Energy prices may have fallen again recently, however they were already too high before the war against Ukraine, especially by international comparison. And there is no guarantee that they will not rise again. Such uncertainty is not conducive to investment. We need an industrial electricity price that is capped at 5 cents per kilowatt hour for energy-intensive industries. We need such a ruling to bridge the gap



until plentiful supplies of cheap electricity become available from renewable sources. This is the only way to ensure that important value chains remain in Germany and Europe. There is urgent need to expand the electricity grid, which means that grid fees will increase enormously over the next few years. We need state-backed solutions here, too. The tax on electricity should also be reduced on a permanent basis to the European minimum level. This would also benefit small and medium-sized enterprises and consumers. However, it is also important to speed up the expansion of energy from renewable sources. And hydrogen production, including the necessary infrastructure, must be ramped up, too. In addition, a key prerequisite for the energy and mobility transition is ensuring the secure and sustainable provision of raw materials.

8. Qualified specialists are needed to work on climate protection

Renewable energy, pollution-free transport and environmentally friendly housing construction all require skilled labour. These include electrical engineers as well as IT specialists and, of course, tradespeople who can install and repair photovoltaic systems and heat pumps. The most effective way to attract skilled labour is to offer good work. Collective agreements, fair pay, family-friendly working hours, investment in initial and further training, occupational health and safety. We are also calling for part-time training which will allow our colleagues to prepare themselves for the challenges ahead. We need pragmatic, unbureaucratic and effective regulations for skilled workers from abroad. Women's potential must be recognised and utilised. Once they leave full-time work, far too many women remain stuck in part-time work. Parental leave and periods spent caring must not be barriers to re-entry and promotion. And that is why we must do everything we can to ease their return to work after such phases: this includes the right to return from part-time to full-time work, better career development, equal pay and comprehensive and dependable childcare. Young families have a different notion about how they want to live and work.

For the climate transition to succeed, we need more young people to complete "dual" vocational training again. Powerful incentives are needed to attract greater numbers of them. These include a substantial increase in training allowances, and investment in vocational colleges and trainee accommodation. And that is why we are calling for all young people to be guaranteed a place on a vocational training programme, and for company-based training to be strengthened. Careers guidance, especially in the German Hauptschulen and Realschulen (lower and intermediate secondary schools), must not be left to chance and financially powerful lobby groups; it must be systematically organised by the local and youth employment agencies, which need to be further expanded for the task.

9. Strengthening employment and training in the local regions

We don't want people to have to move to find jobs. We demand a bright future for all the regions in Germany. They are where the employees live and work. They are the place where they have their homes, families and friends and their social life. This is why IG Metall is committed to helping the different regions, for example through the regional transformation networks and training associations. We also provide our members with concrete support in the form of company training mentors. We fight to keep jobs at the local sites. In cases where there are no job prospects within the company, we work to find solutions in the region. Employers and the state also need to take action here, by organising suitable transfers to other companies, matching skilled workers together with appropriate jobs (skilled worker matching), and facilitating career changes. The potential opportunities offered by "personnel hubs" and similar tools should be examined. Municipal authorities need

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more financial resources in order to shape structural change in the region. In addition, counselling services for works councils must be expanded. All too often, small and medium-sized companies in particular still lack the necessary expertise to develop the products and processes of tomorrow and then to manufacture them on an industrial scale. Battery cell production is a good example here. It is important to establish and promote SME expertise and innovation networks.

10. Less bureaucracy – but effective!

We want to see wind turbines being installed more quickly and power lines being constructed at a faster pace. We urgently need to speed up the planning and authorisation procedures. But what are the best ways to achieve this? By having sufficient numbers of staff in the right places, by digitalising and modernising the administration, and by eliminating duplicate and redundant checks. All government levels – federal, state and municipal – must be in view take a look at. Rules and responsibilities need to be harmonised more effectively. However, anyone seeking to water down the Working Hours Act or suspend the Supply Chain Act by claiming they are simply "cutting red tape" will meet with strong resistance from us! There should be no blood on any of the products we make – be they t-shirts, lithium batteries or cable harnesses.

11. Prevent social cuts – For a strong and future-proof welfare state!

The public debate on the best way to strengthen the economy is currently moving in an unhelpful direction. While we are calling for investment in the future of our country, parties like the FDP are backing austerity policies, social cuts and longer working hours. We will accept neither abolition of the full pension after 45 years of paying into the insurance system nor the freeze on all new social benefits for three years. People need security, especially in times of upheaval. The ecological transition will only meet with acceptance if employees need not fear for their jobs or the social security net. Pensions must be sufficient for people to maintain their standard of living and prevent them falling into poverty in old age. Receiving care when ill or incapacitated must not become a luxury reserved exclusively for the rich. It is only fair that those with broader shoulders should carry more, especially in challenging times. In concrete terms: the top earners and the super-rich must contribute appropriately. Everyone should pay into the social security system. We can only strengthen our democracy if the burden is fairly distributed.