

Germany's trade unions and municipalities prepare to slash wages of public service workers

By Peter Schwarz
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Not long ago, politicians from all of Germany's main political parties were gushing in their praise for nurses, teachers, bus drivers, sanitation workers and other public service employees, who have carried out vital social services during the Corona pandemic under massive stress and enormous dangers, while receiving miserable wages. At the end of March, the German parliament (Bundestag) even gave a standing ovation to these workers at the suggestion of its president, Wolfgang Schäuble.

Five months later, the same parties are in the process of fleecing public sector employees once again, and are being actively supported by the main public service union, Verdi.

Contract bargaining for the 2.5 million municipal and federal employees began in Potsdam on September 1. As is the usual practice, the first meeting served to survey the terrain and generate a lot of empty noise. Two further rounds of negotiations are planned for September 19–20 and October 22–23.

Verdi's demands, even if measured against the usual modest standards of the union, are minimal, and guarantee the further impoverishment of public workers. Verdi, which also negotiates on behalf of smaller unions, such as the teachers' union GEW and the police union, is demanding a 4.8 percent pay hike, or at least €150 more per month, together with a reduction in working hours in the east of the country by one hour, to match the 39-hour week worked in the west.

This is significantly less than Verdi's initial demand in the last round of contract bargaining two and a half years ago and, as then, the union has no intention of realising its demand.

In 2018, Verdi demanded 6 percent more pay for a period of 12 months and a minimum increase of €200. The union was responding to the explosive mood among public sector employees who, after years of wage stagnation, had carried the main burden of the multi-billion-euro bank bailout following the 2008 financial crisis and the government's "black zero" (i.e., no new debts) policy. Along with low wages, which barely covered daily living costs (particularly in large cities with exploding rents), workers were struggling with dilapidated buildings and facilities and did large amounts of overtime due to a chronic shortage of personnel with all the attendant stress.

To diffuse anger, Verdi organised a series of toothless limited strikes and protests at the time, in which tens of thousands took part. The contract then signed by the union amounted to a slap in the face for all public sector workers.

On paper, the contract referred to 7.5 percent more pay—but this increase was distributed in several stages over a period of 30 months! Converted to an annual rate the increase barely covered inflation. The increase was also distributed very unevenly. Preference was given above all to well-paid specialists who can earn much more in the private sector. Lower wage groups, however, failed to obtain the €200 that Verdi had originally demanded as an immediate increase—even after the 30 months had passed.

The fact that Verdi is now entering contract negotiations with an even lower demand indicates that far more extensive attacks on public sector employees have already been worked out in backroom talks. As was the case after the 2008 financial crisis, public service workers are expected to reimburse the billions

pumped into the major corporations and money markets by the German government and European Central Bank in their response to the COVID-19 pandemic.

The chief negotiator for municipal employers left no doubt about this. “Actually, we should cut salaries in view of the difficult situation,” the mayor of Lüneburg, Ulrich Mägde (SPD), told the FAZ newspaper. He added he did not want to go so far, but declared that “the demands of the unions are completely exaggerated and there is nothing to distribute.” He also stated that a reduction of working hours in the east of the country from 40 to 39 hours was “unacceptable.”

Reinhard Sager, president of the municipal umbrella organisation, Deutscher Landkreistag, urged the unions to abandon their demands. It would be irresponsible, he said, to demand billions in times of tax shortfalls and crisis packages.

For its part, Verdi signaled its support. “We understand the environment,” said Christine Behle, who is responsible for public services on the union’s executive. “But we don’t want employees to be left behind either,” she added cautiously.

Verdi boss Frank Werneke made clear in Potsdam that the union was ruling out industrial action in the current round of contract talks. “I am not threatening with strikes” and “we do not want any escalation,” he assured, as long as “employers present a constructive offer at a very early stage.”

Verdi had gone so far as to propose delaying the contract negotiations by several months in exchange for a one-off payment, which would have further reduce the size of the pay increase. But municipal employers rejected the offer.

One year ago, Werneke a Social Democrat, replaced Green Party member Frank Bsirske as the head of Verdi. Under Bsirske’s leadership, Verdi had played a major role in imposing wage and job cuts in the public sector, the catastrophic consequences of which have become so apparent in the coronavirus crisis. More than any other bureaucrat, Bsirske embodies the transformation of unions from reformist workers organisations into company managers who suppress the class struggle and discipline workers. Werneke, who served as Bsirskes’ deputy for 17 years, is ensuring that this policy continues in a seamless fashion.

The public service contract bargaining comes as class

antagonisms are intensifying enormously in Germany and around the world. By opening up schools without effective protective measures and boosting production, governments are putting countless lives at risk to ensure increased profits for the big corporations and banks. Hundreds of thousands of jobs are at stake in the auto, engineering and supply industries, not to mention the mass loss of jobs in the country’s service and cultural sectors.

There is growing resistance among workers, teachers, parents and students to these inhumane policies. In their attempts to resist, however, those affected come up against a wall of resistance from all of the parties represented in the Bundestag as well as from the unions. They are all determined to defend the interests of the “economy,” i.e., the fortunes of the rich elites at the expense of the needs of the majority.

The Socialist Equality Party calls on workers in all sectors to build a network of action committees, independent of the unions, to prepare a general strike against the opening up of schools and the policies of the ruling class. The public service contract bargaining round should be used to advance this initiative. Verdi must not be allowed to once again stab public service workers in the back.

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