

Germany: Union sells out Deutsche Telekom strike—agrees to wage cuts and longer working hours

Vote “no” on the contract!

25 June 2007

After a nearly six-week strike by Deutsche Telekom workers, service sector union Verdi last week agreed to virtually all the company’s demands.

Deutsche Telekom is Germany’s largest telecommunications corporation, in which the government holds a 15 percent shareholding. Under the T-Com, T-Mobile and T-Systems brands, it operates in more than 50 countries, raising more than 45 percent of its revenues in 2006 from its global business.

In just a few days—on July 1—some 50,000 staff will be redeployed into three new Telekom service units. Verdi has agreed to a drastic lowering of wages, longer working hours and worse conditions of employment. The company has thus achieved its aim of saving €500 to €900 million (US\$672 million-US\$1.2 billion) a year by 2010. “We are well within our goals,” commented Chief Human Resources Director Thomas Sattelberger.

Rarely before in Germany has a trade union sold out its striking members so openly and shamelessly. We call on all Deutsche Telekom workers to reject the results of the negotiations and vote “no” on the contract in the ballot arranged for next Thursday and Friday.

At the same time, it is necessary to develop a strike committee independently of Verdi in order to continue the industrial action. In the last weeks, Verdi functionaries have systematically de-escalated the strike and isolated the strikers. At no time were they prepared to expand the action and conduct an all-out strike.

Now they want to implement a settlement that is clearly directed against the strikers. They are hiding behind the Verdi rulebook, according to which it only takes the agreement of 25 percent of those voting in order to accept the result of the negotiations and end the strike. Or to put it another way: even if 74 percent vote against, the result of the negotiations will be accepted by the union and the dispute throttled.

But the right to strike does not depend on the undemocratic statutes of the trade union rulebook. It is a fundamental right and cannot be subordinated to the arbitrary decisions of union

functionaries who sit together with the Telekom management on the company’s supervisory board and belong to the Social Democratic Party (SPD), which as a government party represents the interests of the big shareholders.

On the day the union reached agreement with Deutsche Telekom, Verdi functionaries swarmed into strike and factory meetings to talk up the result of the negotiations and to muzzle anyone who tried to oppose them. In order to win a majority against the sell-out, it is necessary to clearly state the facts.

The agreement struck by Verdi contains the following details: Already in July, the 50,000 staff re-deployed into the new service units will have to work four hours longer each week. Their working week rises to 38 hours without any corresponding increase in wages. This unpaid overtime alone equates to a wage cut of more than 10 percent. Verdi also agreed to reclassify Saturdays as “new customer day”; in future, this day will count as part of the regular working week—in other words, all bonuses for working Saturdays are being annulled.

This was still not enough, and wages are to be cut by 6.5 percent. To ease its implementation, Verdi agreed to this additional wage cut being introduced in stages: Deutsche Telekom will supplement wages over the first 18 months up to their present level. In the following 12 months, only two thirds of the wage difference will be compensated, and in the next 12 months just a third. These supplements end on December 31, 2010, when the 6.5 percent wage cut comes fully into force in addition to the unpaid extra working hours.

Apprentices and newly hired workers will be particularly hard hit. New pay scales will apply, which are around 30 percent lower. Thus two categories of employee are to be established with the goal of splitting the workforce. According to Deutsche Telekom, these new salary scales vary between €1,750 and €1,900 a month (US\$2,350-US\$2,550).

Although Verdi has capitulated to all the company’s core demands, the union has the audacity to present the result of the negotiations as a success. In its first press release, under a

headline claiming the union has “prevented employees’ pockets being picked,” Verdi writes that it has “agreed a compromise” with Deutsche Telekom “which guarantees that the salaries of the 50,000 staff who will be redeployed into the new service units will be fully paid for the foreseeable future.”

This is simply a lie! The unpaid additional four hours working time a week, which applies immediately to all those in the new service units, signifies a wage cut. The fact that Verdi does not define lengthening the working week without a corresponding increase in pay as a loss in income only makes clear the extent to which it has swallowed the company’s arguments.

Verdi then claims that the cut in wages from 2009 will be balanced out “in the pay round that is then due.” This also is pure hogwash. The fact is, Verdi has agreed on a zero round for the coming year, not only for those moving into the new service units, but for all those employed by its T-Com subsidiary and at the company headquarters. In other words, the compensation payments praised by the trade union as a success are to be financed through wage restraints for all employees.

The extension of employment protection to December 31, 2012, which the union also praises as a success, is completely non-binding. Above all, its role is to help Verdi sell the rest of the contract to its members. When asked, a Telekom spokesperson told theWSWS that that the dismantling of 32,000 jobs that had been announced in 2005 would be “continued without reservation.”

Moreover, the new service units are only protected from being sold off to the end of 2010. What happens thereafter is completely open. And finally, it is in management’s interest to keep highly qualified and experienced workers on the cheap wages agreed by Verdi.

There is yet another reason why the contract should be rejected. If Verdi is able to push it through against the resistance of the workforce, the downgrading contained in the contract will serve as a precedent. Many industrial companies and service businesses have already prepared plans for similar measures to lower wages and extend working time. The Deutsche Telekom agreement will open the floodgates, heralding a wave of cuts in wages and working conditions, the likes of which have not previously been seen in Germany.

It is no accident that immediately following the joint press conference at which Deutsche Telekom management and Verdi announced they had reached a “compromise,” government spokesman Thomas Steg said the cabinet “acknowledged and expressly welcomes” the agreement. The German government is the largest shareholder in Deutsche Telekom, and all the company’s important strategic decisions are made in close discussions with the finance ministry under Peer Steinbrück (SPD) and the labour ministry of Franz Müntefering (SPD).

Consequently, the strike was directed not only against the Deutsche Telekom board, but also against the federal government. And this is precisely why Verdi was not prepared

to lead the strike with any consistency and betrayed its members. Verdi is closely linked with the SPD and supports the policies of the grand coalition government of the Christian Democrats and SPD in various ways.

In a statement on May 17 (see “Support the Deutsche Telekom strikers! Build a mass movement against the German grand coalition!”), the WSWS warned of the threat of a sellout by the trade union:

“Only a few days into the strike, already it can be clearly stated: If this strike remains under the control of the Verdi functionaries, it is doomed to failure.

“Support for the strike therefore must be bound up with a struggle against the opportunist policy of the trade union. This offensive by the company executive—backed by the government—demands an entirely new political strategy. Production must be taken out of the hands of the financial elite and placed at the service of society as a whole.

“The strike must be made the starting point of a fight to break with the old nationally oriented organisations—the trade unions and the SPD—and to unite workers in all industries throughout Europe and worldwide in the struggle for a socialist reorganisation of the society.”

This evaluation has been completely confirmed. A fight against lower wages, longer working hours and welfare cuts is not made impossible by the cowardly surrender of Verdi, but it shows that workers must prepare for a long political struggle. We say to all Deutsche Telekom workers who reject the sellout by Verdi, as well as those who have supported the strike so far: We are ready to energetically support the continuation of the strike and the struggle against Verdi. Contact the *World Socialist Web Site*, and discuss these questions with your colleagues.



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Socialist Equality Party visit:

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