

Germany: Verdi union prepares sellout of public service workers

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13 February 2010

Over 100,000 German public sector workers have been on strike since last week. Wage negotiations are currently underway covering approximately 1.2 million federal government and local authority workers, as well as a further 800,000 indirectly employed in the public sector. The latter includes employees of the Bundesbank, the Federal Employment Agency and those working for local welfare agencies or privatized services.

The public sector union Verdi has called “warning strikes” in response to anger among its members, which is widespread after years of cuts in real wages. At the same time, Verdi is seeking to impress on its negotiating partners—especially the federal negotiator, Interior Minister Thomas de Maizière, and federal Finance Minister Wolfgang Schäuble (both from the Christian Democratic Union—CDU)—that they have to present an offer quickly, so as to keep the workers under control.

Public sector workers have seen reductions in real wages over the past 10 years as a result of paltry wage increases and one-off payments. The introduction of a new contract structure (Public Service Collective Agreement—TVöD), which was hailed by Verdi, has resulted in an additional loss of pay. The media constantly repeats the claim that public sector jobs are more secure, and public service workers should therefore accept more concessions than in other industries, but the supposed job security of public service workers is a fiction. Through outsourcing and the privatization of public enterprises, short-term contracts have become widespread in the public sector.

On a blog for Verdi union members, many are saying they will not be fobbed off with compromises. “The 5 percent increase has to stand, no ifs or buts,” writes one Verdi member, adding, “No arbitration, but an unlimited strike. Enough is enough.” Another demands that the union “call a general strike...don’t give in before the

strike, like in the last round of collective bargaining two years ago.”

But Verdi is interested in anything but conducting a serious struggle. In an interview with the *Südwest Presse*, union President Frank Bsirske (Green Party) appealed for “movement on the employers’ side” so that a settlement can be reached at the negotiating table, “which I always advocate.” He stressed that Verdi wants to contribute to such an outcome.

Verdi has opened the negotiations with an “overall demand” for 5 percent. However, this figure does not represent a 5 percent increase in base wages. Rather, the 5 percent demand encompasses issues outside of wages.

For example, it covers an extension of the retirement scheme that expired in January and an increase in the employment period for apprentices. It also covers a suspension or revocation of wage cuts carried through as part of TVöD.

Also included is a fixed subsidy for low-income workers, which would be calculated as a percentage increase, enabling the employers to save money.

The vague 5 percent demand gives Verdi sufficient room to engineer a sellout. Bsirske expressly told the press that he was aware of the “cost impact” to the employers, and added that the payment of “linear wage increases” would depend on the implementation of a new early retirement scheme.

Federal Finance Minister Schäuble brusquely rejected Verdi’s demands. In two rounds of negotiations, representatives of the government and local authorities have still not presented an offer.

The municipal employers have stated that there is no money for “linear” wage increases. They want to increase productivity pay, regarded with hostility by workers as a form of piece-work compensation. These payouts, introduced with the agreement of Verdi’s forerunner, the ÖTV (Union of Public Service and Transportation

Workers), are widely opposed by rank-and-file members.

On the Verdi blog, one member writes, “We have to oppose the demand of the local authority employers to increase these [productivity] allowances very aggressively.” He continues, “The trust of the work force was abused in order to accelerate the reduction of personnel in the municipal sector.”

Schäuble has told the media that the state has no money to spare. The current government and its predecessor were able to find several hundred billion euro at short notice to rescue the banks. But there is supposedly no money for a certified nurse, whose starting pay is only 2,084 euro a month. Along with all other workers, she is supposed to pay for the handouts to the corporations and the banks.

Verdi boss Bsirske agrees with the political representatives on the employers’ side that the coffers are empty, and the workers must accordingly make sacrifices. Throwing his support behind government austerity plans, he said, “It was a good step to increase the deficit first,” but that when “we get out of the crisis, there must be an end to the debt.”

On this basis, he said, “2010 is a more favourable year compared to what is to come.”

Verdi is trying by all means to prevent the development of a broad social movement that would come into conflict with the government in Berlin and the representatives of the Social Democratic Party (SPD), the Greens, the Left Party and the Christian Democrats in the local authorities.

For this reason, the union decided this year not to demand a specific increase for 250,000 bank workers. In discussions with representatives of private and public banks in April, the union’s negotiating body, the Tariff Commission, decided to focus on “new rules preventing undue sales pressure being placed on bank workers in the collective agreement.”

Verdi’s policy of concessions and austerity is supported by the major industrial unions, including IG Metall and IG Bergbau, Chemie und Energie. These two unions, which represent sections of public service workers, are stabbing their members in the back by entering negotiations with the employers without tabling a pay claim. Given the economic and financial crisis, the main issue is “securing jobs,” they say.

Despite freezing temperatures, some 2,000 public service employees in Berlin supported the Verdi call for a warning strike on February 9. Nursery school teachers, nurses and care workers, as well as employees of state and federal facilities in the city, left their jobs to protest against the provocative attitude of the Berlin Senate and the federal government. The train drivers union GdL also called for warning strikes, impacting some public transport.

Contract negotiations with the federal government and local authorities overlap with collective bargaining with the Berlin Senate, which left the local government employers’ association in 2003 and has since cut local public workers’ wages dramatically.

In her opening speech, Verdi Deputy National Chair Astrid Westhoff reported that a preliminary contract agreement had been reached the previous night with the Berlin Senate. While at an earlier press conference, Berlin Social Democratic Party Chairman Michael Miller and the state chairman of the Left Party, Klaus Lederer, had praised the outcome, Westhoff was angrily booed by the assembled workers.

The Berlin government’s 50,000 employees earn on average 6 percent less than in other states. Under the new contract, they will go empty-handed this year and receive a wage increase averaging 3.1 percent for a work week of 39 hours from August 2011. Thereafter, Berlin will rejoin the regional collective agreement, but it will not be until 2017 that the pay of Berlin city workers will be in line with those in other states. In addition, the union dropped the demand for the hiring of apprentices, despite a severe lack of personnel in all areas.

Westhoff announced a membership ballot, telling those gathered before her, “You must now vote Yes or No!” The response was a loud “No!”



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Berlin city workers’ protest