Unions and employers collude against German public sector workers

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Last week, several thousand public sector workers participated in protest strikes for higher wages. The strikes were called by unions that are meeting with the employers this week in Potsdam for a third round of negotiations.

For the unions—Verdi (public service), GEW (teachers), DGP (police) and DBB (civil servants)—the strikes were used to blow off steam and prepare for an imminent sellout. Although the contract covers some 600,000 workers employed by Germany's Länder (federal states), the unions made sure that the strikes were short and kept isolated. On Monday last week, about 2,500 public service employees in the states of Hesse and Saarland were on strike. On Tuesday, it was North Rhine-Westphalia and Schleswig-Holstein. On Wednesday, it was Bavaria and Rhineland-Palatinate's turn.

The strikes included those employed on road maintenance, in hospitals, in theatres, in administrative offices and especially in schools and colleges. The largest occupational group includes some 200,000 school teachers. In addition, there are about 120,000 employed in higher education. The collective agreement for these sections of workers would also serve as the basis for a new contract covering civil servants employed by the states, who are legally prohibited from striking.

The unions' demands are very modest, taking into account the fact that real wages in the public sector have been sinking continuously for more than 10 years and have fallen well behind the stagnating incomes in the private sector. They are calling for a pay rise of just 3 percent, plus a flat-rate payment of €50 a month, to run for 14 months. They are also calling for apprentices to be offered permanent jobs and a regrading exercise for teachers.

A year ago, Verdi had agreed on a phased increase for some 2 million federal and local government staff of 2.6 percent over 26 months. Initially, the union had demanded an increase of 5 percent and even organised strikes. But then it signed a deal that not only was far below the rate of inflation, but also a drove a wedge between the state workers and those employed by federal and local government, who are contractually barred from taking any industrial action until mid-2012.

This year's contract talks are a done deal between the governing parties and the trade unions, just like last year's.

In the first two rounds of negotiations, the representatives of the states flatly rejected the demands of the unions and refused to propose any counteroffer. They are only prepared to negotiate when the unions have lowered their demands, and can behave so stubbornly because they know that they can rely on the collaboration of the unions.

From the outset, the unions agreed to three negotiating deadlines. The third round of negotiations this week did not come about because the talks were "deadlocked", as Verdi leader Frank Bsirske claims; it was planned from the outset. Even Verdi's press release does not speak of a deadlock, talking instead of a "businesslike negotiating atmosphere". Lower Saxony's Finance Minister Hartmut Möllring (Christian Democratic Union, CDU), chief negotiator for the state governments, described it as a "constructive atmosphere".

Members of the same parties sit on both sides of the negotiating table, and discuss how the attacks against the workers can best be enforced. For example, the chief negotiator for the unions is Verdi boss Bsirske, a member of the Green Party. Across the table from him sits his party colleague Karoline Linnert, Green Party Finance Senator (minister) in the Bremen state legislature, who with Möllring jointly represents the employers. Other Verdi functionaries involved in the talks are members of the Social Democratic Party (SPD) and the Left Party.

Since 1998, various combinations of federal government—SPD-Green Party, CDU-SPD, Christian Democratic-Free Democratic Party—have plundered the state finances, and this has been passed onto the population by the state governments, in which the Left Party is also represented. The states of Hesse and Berlin are not participating in the current negotiations because they have withdrawn from the employers' association, in order to push down wages below the contract level. The SPD-Left Party Berlin Senate (state legislature) championed this development in 2003. Some 50,000 Berlin state employees earn an average of 6 percent less than in other states.

The financial and economic crisis of 2008 saw federal and state governments step up the cuts to finance the billions that were handed over in the bank bailouts. In 2009, the grand coalition (CDU-SPD) enshrined a “debt brake” in the constitution, which requires all states to balance their budgets.

The cuts this will bring about will go far beyond anything that has been seen so far. Bremen’s Green Party Finance Minister has already threatened to withdraw from collective bargaining, if the cost of the contract negotiated is too high.

Cuts in teachers

The demands of the teachers’ union play a special role in this year’s wage negotiations. The GEW is calling for a regrading exercise, so that all teachers are paid the same for doing the same work; at present, there are two types of teacher: either with or without civil servant status.

Previously, all teachers were contracted as civil servants, whose salaries and conditions are legally prescribed (for example, civil servants cannot be made redundant and enjoy enhanced pension rights). In recent years, however, many states—particularly in the east—have increasingly contracted teachers as ordinary state employees rather than civil servants, so as to reduce pension costs. Since the greatest expenditure line in the state budgets is for personnel costs, and teachers constitute the largest occupational group, the state governments are seeking above all to push through savings here.

Teachers contracted as ordinary state employees are not presently covered by any grading agreement. This means their salaries are relatively arbitrary, based upon the public service collective wage agreement (TVöD-L) covering public service workers in the states. This results in such teachers receiving lower wages than they would if they were contracted as civil servants.

In 1961, when the federal civil service pay scale (BAT) came in force, a teacher or a university lecturer contracted as a state employee would have earned about 7 percent more than an equivalent with civil servant status. This took into consideration that such state employees were required to pay additional pension contributions, resulting in their net pay being about the same. This changed radically in the 1990s. Predominantly due to legal measures, the net incomes of civil servants and ordinary state employees drifted apart, to the detriment of the latter.

For grading purposes, it is not the job function that is decisive but the “legal career requirements”—i.e., educational attainment. Thousands of teachers are paid less because they do not have the required training for the type of school in which they teach.

For years, the states have not hired enough young teachers. According to the OECD report “Education at a Glance”, for every 100 posts there are only 60 suitably qualified young teachers. On the basis of this general shortage of teachers, many educators are employed to teach in schools for which they were not trained—primary school teachers working in middle schools, secondary school teachers at specialist vocational schools or high schools, etc.

According to the GEW, many teachers who trained in the former East Germany are affected by wage discrimination. The state finance ministers gladly employ such teachers because they are “cheaper”. The same is also true for so-called “career changers”, academics or other professionals seeking employment in schools.

In 2005/2006, the TVöD widened the gap between ordinary state employees and those with civil servant status. In the absence of a mandatory grading agreement, newly hired teachers are placed on TVöD pay grades 11 and 13. According to the GEW, this has depressed teachers’ incomes by 25 to 27 percent. The salaries of new teachers contracted as ordinary state employees, according to calculations by the GEW, are up to €650 a month below the comparable wages paid to those with civil servant status, and even after five years of employment are still up to €370 lower.

These years of persistently reducing teachers’ salaries have meant that resentment is particularly strong. This is why the trade unions and state governments portray their rigged talks as “hard negotiations”. They want to prevent a broad social movement developing against falling incomes, which could soon spread beyond the public sector. In the end, the unions will once again conclude a rotten compromise, sacrificing workers’ incomes and working conditions to the austerity measures being pushed through by governments at the federal, state and local level.