

Germany: Verdi prepares to agree wage cut for public transport workers

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On Saturday, February 18, unions representing public transport workers in Berlin called a protest strike. Thousands of workers at the Berlin Transportation Company (BVG) and Berlin Transport (BT) took part.

This affected all underground trains, trams and buses. However, the Berlin S-Bahn urban rail transit system—a wholly owned subsidiary of Germany's major rail corporation Deutsche Bahn AG—as well as some private bus companies were excluded from the strike.

The protest strike was called by the service sector trade union Verdi, together with the state employees union GKL and the train drivers union GDL, during the current collective bargaining period. Given the minimum demands with which Verdi has entered the negotiations, one can hardly speak of a labour dispute in any true sense. The protest strike was aimed primarily at blowing off steam and at exhausting transport workers' justified willingness to fight.

Verdi, the union leading the negotiations, is merely demanding a wage increase equal to the current level of inflation (2.3 percent) for the 12,000 workers at the two companies, and a small additional payment in the form of a lump sum. As in previous years, Verdi is preparing to agree a new contract that represents a loss in real wages. Representing BVG, the local government employers' association has offered a nominal wage increase of 1.6 percent annually for a period of three years, which would amount to real wage losses of several percent. The offer would also require workers to sign a no-strike agreement for that period.

This demoralizing tussle for such minimal demands, which are tantamount to a real wage reduction, brings to mind some bitter memories among the transport workers.

In 2005 in collaboration with Verdi, the TV-N contract introduced drastic wage cuts of up to 12

percent, a reduction of the Christmas bonus and holiday pay, and the division of the workforce into new hires. It also established salary differentials of up to one third.

In 2008, public transport workers fought for weeks for a 12 percent wage increase to make up the losses resulting from the 2005 contract. After eight weeks of industrial action, Verdi functionaries agreed a rotten compromise with the employers, broke off the fight and enforced a sell-out against the will of a two-thirds majority of the workforce. The result was some small one-off payments and an annual wage increase of 1.6 percent; newly hired employees already starting on a lower salary received a slightly higher wage increase.

In 2010, Verdi again signed up to a cut in real wages, agreeing a 3 percent wage increase over two years as well as some small one-off payments.

By calling for an increase only equal to the rate of inflation, Verdi's starting point this year means the union is continuing its policy of agreeing to cuts in real wages. In recent years, Verdi stepped up its collaboration with the Berlin city-state government of the Social Democratic Party (SPD) and Left Party, and this is now continuing with the grand coalition of the SPD and Christian Democratic Union (CDU) in the Senate (state legislature). Verdi officials support the restructuring agreement for Berlin, and the cuts plan of BVG.

The 2011 restructuring agreement between the federal government and the Berlin Senate regulates Berlin's debt reduction process until 2016. Such agreements have been reached between the federal government and all the state governments that faced a budget crisis as result of the constitutionally mandated debt ceiling. Berlin's debt had increased massively to some €61 billion as a result of the billions handed over to the ailing Bankgesellschaft Berlin. As in previous years,

this money is being recouped from the working class and the general population.

As in previous rounds of austerity, the new restructuring agreement at BVG plays a central role. If the resistance of the BVG workers is broken, the Senate believes it can act as ruthlessly in other places as well.

Last year, CEO Sigrid Nikutta transformed the BVG restructuring agreement into a cuts plan. This internal “master plan” includes “further painful cuts in the enterprise”, and with an increase in passenger numbers as well as regular fare increases, seeks to bump up revenue by 3 percent per year. Moreover, a “moderate wage policy” will be agreed with the unions, she said.

The BVG has a current official debt of €755 million. The target requires that BVG take on no new debts from 2016. For 2020, when the transport contract with the state of Berlin comes to an end, the company is aiming at a surplus of around €80 million, at which point the debts would be only €651 million. This is all to be financed by the employees and passengers.

Verdi has taken on the task of posing the demands in such a way that they can be enforced without much resistance. The de facto alliance between the trade unions, the Senate and municipal employers’ association is directed against the workers.

And the union officials are paid handsomely for their services! According to *Manager Magazin*, in 2010 Verdi boss Frank Bsirske pocketed approximately €428,000 (US\$565,000) for the various positions he holds on company boards (Lufthansa €175,000; RWE, €234,000). He also serves on the board of the German Postbank. In addition, he earned €179,000 for his union duties.

It is becoming increasingly urgent that public transport workers break the control of the Verdi bureaucrats. To wage an effective struggle for wages, BVG workers must organize themselves independently of the union, seeking cooperation with S-Bahn workers and employees of the bus companies that have been spun off, and build a broad political movement against the Berlin Senate.



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