

German public service union agrees real wage cuts for Berlin transport workers

Franz Schobert, Carola Kleinert
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Just 10 days after a 15-hour strike at the Berlin Transportation Company (BVG) in mid-February, the Verdi public services trade union signed a contract that will result in losses in income for its 12,500 employees.

Verdi is doing its best to talk up the result. According to the news agency DPA, Verdi negotiator Lothar Andres declared that the union's demand has been satisfied on all essential points. Verdi had called for income increases above the rate of inflation rate and a short duration for the contract. Both targets, according to Andres, had been achieved.

A look at the wording of the contract shows the opposite. Agreement was reached for a 2.6 percent increase in salaries, retroactive to the beginning of the year and due to run for a period of 18 months. With an inflation rate of 2.3 percent last year it is clear that any talk of an increase in wages is out of the question.

In its own statements the union speaks of a wage deal of "about 3 percent" and includes in its calculations a number of minimal ancillary payments included in the latest deal. What the union fails to mention is that these ancillary payments are only to be paid to a percentage of the workforce. Even if one accepts the exaggerated claim of the union (a 3 percent increase), this is still less than the rate of inflation calculated over an 18-month period—3.4 percent.

There are two reasons to explain the haste with which the union sealed the deal. Firstly, the union supports the BVG internal "master plan," which includes massive cost-cutting measures. Secondly, Verdi wanted to ensure that the contract negotiations for transport workers did not coincide with its current negotiations

on behalf of hundreds of thousands of municipal and state public service workers.

At the start of March, more than 100,000 government employees participated in one-day strikes. The approximately 2 million municipal and state employees are demanding a wage increase of 6.5 percent, or at least €200 a month, and jobs for all trainees, i.e., demands substantially higher than those raised by Verdi for Berlin transport workers.

The difference between the claims is due to the fact that the so-called restructuring agreement for BVG was negotiated by the former Social Democratic Party (SPD)-Left Party Senate in Berlin in close collaboration with Verdi. Verdi agreed to keep wages low in order to assist BVG in reducing its current level of indebtedness of €755 million. The contract drawn up by the Senate and union is due to run another eight years, with the aim of reducing the total debt burden by more than €100 million.

Workers at BVG who criticised the latest contract were summarily rebuked by Verdi functionaries. Matthias Templin, spokesman for Verdi's Technical Traffic Committee, said, "Everybody with eyes in his head and able to count up to two should be content with the deal." BVG personnel chief Lothar Zweiniger, a former Verdi functionary, spoke of his "relief" over the deal and Berlin Mayor Klaus Wowereit (SPD) praised the "reasonable conclusion based on a fair balance of interests."

The haste with which Verdi made its peace with the employers makes clear that the union was desperate to avoid a common struggle of transit workers and public sector employees. Instead, it has intervened to impose

cuts in real pay for BVG workers, while at the same time preparing a sellout of its members in public service.



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