

# Germany's Verdi union stabs public sector workers in the back

Dietmar Gaisenkersting

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After talks that ended late Saturday evening, Germany's biggest public service employees union, Verdi, reached an agreement with the federal government and local authorities on a contract for 2.5 million workers. The deal struck by the union is scandalous, involving a minimal increase from the provocative initial offer made by the employers.

The short-term "warning strikes" of the past few weeks, in which tens of thousands proved their readiness to fight, were cynically used by the union to cement a result that was certain from the outset. Verdi leader Frank Werneke had already hinted shortly before the third round of negotiations that his union had abandoned its initial demand and was seeking to reach a deal on the employers' terms in the shortest possible time.

The employers' side had offered to increase wages and salaries over the next 36 months in three stages—starting in March 2021—by a total of 3.5 percent. Now, according to the deal struck, wages and salaries will increase by 3.2 percent in two stages over the next 28 months—i.e., until the end of 2022.

The public service employers' association had also demanded there be no increase for the next six months. Verdi has now agreed that this period be extended by a further month. The old contract expired at the end of August 2020. The first increase of 1.4 percent will be effective in April of next year. The second increase of 1.8 percent will take place on April 1, 2022.

The figure publicly quoted by Verdi, an increase of 4.5 percent over 28 months, only applies to the lowest pay groups. Because the first increase consists of at least €50 and the lowest monthly salary is a meagre €1,929.88 (US\$2,268.86), these workers will have received a total increase of just 4.5 percent by the end of the 28 months. Even for low earners, this figure has nothing in common with Verdi's initial demand for 4.8 percent over one year.

Public sector employees will also receive a one-off payment this year. Called the Corona bonus, it amounts to €300 for higher-wage, €400 for middle-wage and €600 for lower-wage groups. Trainees in the municipalities will

receive €225, those working for the federal government, €200. The existing contract for the employment of trainees and the regulation of part-time work for older employees is to be continued for the next 28 months.

Verdi divided the workforce by demanding more pay for employees in nursing care. Here too, the result is only slightly higher than the initial offer by the employers. According to Verdi, the overall increase for care staff is 8.7 percent and around 10 percent for intensive care workers, instead of the 8.5 percent offered by the employers.

These percentage increases are again calculated exclusively on the increases for the lowest pay groups. The monthly allowance in intensive care medicine will rise by around €50 to total €100, the alternating shift allowance increases by €50 to total €155.

Verdi boasted that the contract envisages the alignment of working hours in eastern Germany with those in the western part of the country to 39 hours per week by January 1, 2023—i.e., in more than two years. The employers' side demanded the date of January 1, 2024. The deal means that wage levels in public services east and west will have remained unequal for "only" 33 instead of the 34 years since Germany's reunification.

The special allowances in nursing care are to be financed partly at the expense of other groups of workers. Around 175,000 bank employees are expected to go another 10 months without a wage increase. On July 1, 2021, they are due to receive an increase of 1.4 percent and 1 percent a year later. In addition, bank workers will in future have part of their annual Christmas bonus converted into days off.

Public service employees at airports will be denied any wage increase; on the contrary, their salaries are to be cut. "Due to the collapse in passenger numbers," Verdi and the employers' side are seeking to conclude "an emergency contract agreement for airports in the near future, which will reduce personnel costs," reports the employers' association (VKA).

As was the case with the last contract, this latest one guarantees public administrations an extraordinarily long

collective bargaining period. According to German labour law, workers are not allowed to take industrial action outside of the period of contract negotiations, and the union has signed a truce at a time when serious conflicts are expected as a result of the coronavirus pandemic. The contract is due to run until December 31, 2022.

The German interior minister, Horst Seehofer (Christian Social Union), declared the deal was the only financially viable solution, while Ulrich Mädge (Social Democratic Party, SPD), VKA president and chief negotiator for the public employers' side, spoke of an "economically tolerable agreement...which gives local employers planning security," taking into account the financial problems arising from the pandemic. In total, the package will cost around €4.9 billion.

Some €4.9 billion spread over two and a half years for those employed in old people's homes, hospitals, daycare centres, garbage collection, road services, health authorities, etc.! In fact, this amounts to just 0.36 percent of the €1.33 trillion that flowed into the accounts of the banks and corporations via the German government's economic stimulus and coronavirus aid packages. That total does not even include the bond purchases made by the European Central Bank of €1 trillion and the €750 billion made available to the banks and businesses in a separate European Union aid package.

Now, those massive sums have to be squeezed out of public and private sector employees. This is behind the miserable deal for municipal and federal employees. Representatives of the public service employers have launched a veritable smear campaign against the workforce.

Chief negotiator Mädge, a Social Democrat and also a member of Verdi, warned that one could not distribute what was not there. Shortly before the third and final round of negotiations, the German media joined in, echoing the same theme. On the main television news, Kirsten Girschick from Bayerischer Rundfunk said the demands made by public service workers were "lacking in solidarity," while strikes by daycare centre teachers, and bus and train drivers were "irresponsible." The economy would shrink, she argued, and tax revenues would collapse.

Nikolaus Piper argued in similar fashion in the *Süddeutsche Zeitung*. The industrial action was "one of the most unnecessary and lacking in solidarity in German history." The demands made by bus drivers, garbage workers and bank employees were "excessive," given that "tax revenues were falling for municipalities. To demand a total of 4.8 percent more pay per year at a time when the German economy shrinks by 5.4 percent, you must be dreaming," the journalist frothed.

The well-paid editors in leading daily newspapers and television stations, including those nominally in public

hands, did not complain when the German finance minister, Olaf Scholz (SPD), and federal government pulled out a "bazooka" to fire off trillions of euros into the coffers of big business and the banks.

Once again, it has been shown that the working class confronts a broad front consisting of the main political parties, leading media outlets, big business and the unions.

Verdi also justified its sellout with reference to the poor economic situation. "Under current conditions, this is a respectable deal, tailor-made for the different occupational groups that were the focus in the contract bargaining," proclaimed Verdi boss Werneke.

The reopening of schools and renewal of production by governments and the various companies are putting countless lives at risk in order to further boost the profits of corporations and banks, and recoup the billions handed out to major companies and banks. Employees in health care, nursing, food supply, logistics, transport and other vital services are exposed to extreme dangers every day due to the lack of proper protective measures.

In the course of the contract negotiations, however, Verdi failed to raise a single demand to protect the health and lives of public sector workers from the consequences of the pandemic.

The *World Socialist Web Site* and the Socialist Equality Party have warned of the sellout in recent weeks, calling on workers in all sectors to build a network of action committees independent of the unions to prepare a general strike against school openings and all the policies of the ruling class. The current sellout must serve as incentive for all public service workers to take up this initiative.



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