

# Governments make provocative offer to German public sector workers

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The latest offer made by the federal and local governments to public sector workers is a provocation. The offer does not come close to covering the wage losses due to current inflation levels, let alone the wage cut ensuing from the last contract. What public sector workers are being offered amounts to a massive real wage cut.

The employers' side presented the offer on February 23 in Potsdam at the end of the second round of negotiations. Prior to that, the German Interior Minister Nancy Faeser and Karin Welge, who represents the municipalities as mayor of Gelsenkirchen, held two days of talks with the main public service union, Verdi, led by Frank Werneke. Werneke rejected the employers' offer on behalf of his union and the civil servants' association and announced new warning strikes to take place up until a third round of talks takes place from March 27 to 29.

Werneke and his fellow bureaucrats will use the period up to the new round to strike a deal with their fellow SPD party colleagues Faeser and Welge that is only just above the current offer. This modus operandi has now become commonplace for Verdi. For example, at the end of November 2021, the contract bargaining battle for state employed public service workers was sold out in similar fashion in the third round of negotiations.

There is therefore only one way to prevent the biggest real wage cut since the founding of the Federal Republic: The struggle must be organised independently of Verdi and the leadership of the negotiations taken out of the hands of its highly paid union bureaucrats. To this end, independent action committees must be set up that network nationwide and internationally.

The offer on the table provides for an increase in salaries of just 5 percent over the course of more than two years. The term of the contract is to last 27 months (from January 1, 2023 to March 31, 2025). The first wage increase of just 3 percent is proposed for October 1, 2023, i.e., after nine months of workers forgoing any wage increase. An additional 2 percent is due to be paid in June 2024.

The current soaring rate of inflation is to be "compensated" by two one-off payments, the first of which, €1,500, is due to be paid in May 2023 and the second, of €1,000, in January 2024. However, these one-off payments favoured by

government will have no lasting effect on wages and are at best a drop in the ocean. The money can only be used to settle some immediate debts with wages remain painfully low, while the price of fuel, heating, housing and food continues to rise.

In the last contract agreement in October 2020, Verdi agreed to a graduated wage increase of 3.2 percent over a period of 28 months. Since then, however, prices have risen by around 12 percent according to the official inflation rate, and by 7.9 percent in the past year alone. Even under the optimistic assumption that inflation will fall to 7 percent this year and 5 percent next year, price levels would still be around 25 percent higher when the contract now on offer expires compared to the year 2020. Salaries, on the other hand, would have risen by only 8.2 percent. This corresponds to a real wage reduction of about 17 percent within five years!

For apprentices, students and trainees, there is also to be just a 5 percent wage increase over 27 months; again with one-off payments (€750 in May plus €500 in January 2024) also planned.

The proposal makes particularly regressive provisions for health workers who have suffered the most during the coronavirus pandemic. Instead of being compensated for their hardships, they are now to be further fleeced, which will undoubtedly only exacerbate the already dire staffing situation in the health service.

The Federation of Municipal Employers' Associations (VKA) has written that the offer contains "important points for municipal employers that affect the sphere of hospitals and care facilities, communally owned banks and utilities." In particular, in the future, institutions declared to be in "economic difficulties" are to be allowed to bypass agreed pay scales, for example, for the nursing service or for doctors.

For professional workers in higher pay grades, the employers promise to top up their "annual bonus." This amounts to returning to the better paid a fraction of what has been withheld from all workers for years. For example, years ago a 13th and 14th month's salary in the form of Christmas or holiday bonuses had been commonplace for all public service workers.

Such achievements have been systematically dismantled over the years with the consent of the union. The federal, state and local governments have systematically privatised, outsourced

and “liberalised” the public service during the past 30 years. With the help of Verdi and its predecessor unions, contract bargaining rounds were split into numerous individual areas. In the public sector, even the contract bargaining rounds of the country’s individual states (TVL) were separated from those of the nation as a whole and its municipalities (TVöD).

The end result of these cuts is staff shortages and growing work stress everywhere. A large part of the workforce, including airport workers and rubbish collectors, are fobbed off with wages barely above the minimum wage. In the pandemic, many of them were celebrated and applauded as “systemically important,” while their real wages plummeted. The costs of energy and food, which far exceed the official inflation rate, are a particular burden on lower income groups.

At the same time, the government has pulled out of its hat a €100 billion special fund for the German army and supplied huge amounts of weapons to Ukraine, although there is supposed to be “no money” for social needs. This has all been done with the consent of the Verdi leadership, which supports militarism. For example, in Munich during the recent security conference, the flights of official visitors to the war summit were explicitly excluded from Verdi’s warning strikes.

Millions of workers all over Europe are no longer prepared to sacrifice their standards of living for war, rearmament and the billions in profits made on the stock exchanges. This is shown by the large participation in the warning strikes in Germany. In France, millions are fighting against the deterioration of their pensions, and in Britain hundreds of thousands of public and private sector workers have been on strike for months against the attacks on their wages, jobs and the right to strike.

In Germany, strikes are taking place at airports, in hospitals, day-care centres and throughout the public sector. During the second round of negotiations in Potsdam, strikers from municipal clinics, city cleaning, administrations and waterworks demonstrated. On Wednesday, trainees, students and interns in the public sector, who have to live on a starvation wage, will go on strike. Strikes are also taking place at post offices, on the railways and in private industry.

The unions are desperately trying to keep this pent-up anger under control. For postal workers, Verdi reluctantly raised a demand for a wage increase of 15 percent and in the public sector the demand for a monthly increase of at least €500, i.e., an increase of more than 10.5 percent for lower wage groups.

It is precisely the militancy on the part of workers that has aroused the ire of business and banks and their henchmen in politics. The negotiators on the employers’ side have made it clear that a minimum wage increase of €500 per month is out of the question. Such an amount would far exceed the budgets of the municipalities, declared the mayor of Gelsenkirchen. Another employer spokesperson is quoted in the *Handelsblatt* as saying that agreeing to €500 per month would be sending “the completely wrong signal at a time when the municipalities are desperately looking for managers and persons in positions

of responsibility.”

The interior minister also rejected the demands, saying: “They simply stand in opposition to difficult budget discussions both at a federal level and especially in the municipalities.” Faeser described the provocative offer as “very good and very fair” and an “expression of respect” for the workers.

The municipalities are also systematically stonewalling. The federal government says that the current demands are not economically viable. The business association BDA has even called for some kind of legal ban on strikes following the strikes at airports. Political and business leaders are determined to pass the costs of war and militarism onto the working class and ensure the stock market boom continues at their expense.

In so doing, they work closely with the trade unions. This is the purpose of the government’s Concerted Action initiative, which has met several times to coordinate attacks on wages, jobs and social spending.

Verdi leader Frank Werneke has only rejected the latest offer and spoken of “absolute dissent” between the partners in the negotiations because he fears losing control. The union leadership knows it is sitting on a powder keg. It is therefore carefully separating out the warning strikes, conducting them region by region and as minimal “pinpricks,” so as to avoid a conflagration. The Verdi leadership is doing everything in its power to break off the struggle as quickly as possible.

All this shows that public sector workers face a political struggle and can only defend their interests by building action committees which operate independently of Verdi. Such committees have already been formed at Ford Auto factories, in education, health and most recently by postal workers. The postal worker action committee explicitly addresses public sector workers: “Our allies are also the 2.5 million workers who are currently in collective bargaining in the public sector,” it says in its appeal.

It is necessary to set up such committees in day care centres, airports, in the care sector, city cleaning services, transport companies, waterworks and the civil service. Contact us and send a Whatsapp message to the following number: +491633378340.

It is not just about defending the conditions of existence of the working class, but also halting the rapid development towards a third world war. This is only possible on the basis of internationalism and a socialist programme that prioritises human life over profit.



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