

# The transformation of Germany's postal service into a low-wage sector

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In the early 1990s, a joke made the rounds: “Question: ‘What’s Schwarz-Schilling doing in his office?’ - Answer: ‘He’s doing the post.’”

At that time, the Post was a state-run agency and Christian Schwarz-Schilling (Christian Democratic Union, CDU) was the minister in charge. Today, no one laughs at this joke any more. The successive governments led by Helmut Kohl, Gerhard Schröder, Angela Merkel and Olaf Scholz have done a full job and “done” the Post—at least as far as the wages, social and working conditions of postal workers are concerned.

The times when postal workers had reasonable wages, working conditions and, as civil servants, the right to a state pension, are long gone. Today, the job of postman is one of the hardest and most poorly paid in Germany.

In “competition” with workers from other logistics companies, post office workers tear through the streets in all kinds of weather, covering distances of 20 kilometers a day on foot and lifting heavy weights while springing from one temporary contract to the next. If they are sick for more than 10 days a year they have no chance of getting a permanent job and hardly anyone in the profession reaches retirement age. All this for a salary that is 60 percent of the average wage in Germany.

Deutsche Post DHL Group, as the company has officially been called since 2015, exemplifies an international development that mercilessly sacrifices the living standards and health of workers in order to ramp up profits.

The dissolution of the GDR and the Soviet Union, whose existence had imposed a certain restraint on them despite their Stalinist degeneration, removed all inhibitions from the capitalists in the early 1990s. A decade of massive wealth accumulation by a tiny minority at the expense of the working class followed.

The ransacking of the economies in the former Soviet Union and China by billionaire oligarchs found its counterpart in the boom on the American and European stock markets. Everything that had hitherto been considered an indispensable part of state services—railways, postal services, energy and water supply, telecommunications, hospitals, housing, etc.—was privatised and ravaged by financial sharks.

When the first financial crises began to erupt at the end of the 1990s, and working class resistance grew, the Social Democrats took over. Chancellor Gerhard Schröder (SPD) and his British counterpart Tony Blair (Labour Party) proclaimed the “Third Way.” They replaced the “demand for equality” with the “values of personal achievement and success, entrepreneurship and personal responsibility” and continued the neoliberal policies of their conservative predecessors, Helmut

Kohl and Margaret Thatcher.

With its “Agenda 2010” and anti-welfare Hartz laws, the Schröder government then removed all obstacles that stood in the way of the unbridled exploitation that today characterises the entire logistics industry, including the postal service.

## The privatisation of the Post

The history of Deutsche Post reflects this development in microcosm.

Between 1989 and 1995, the state-owned Deutsche Bundespost was split into three privately run companies—Post, Telekom and Postbank. In 2000, Deutsche Post was floated on the stock exchange, and in the following years was expanded into a globally active logistics company (taking over DHL). In the meantime, the group is active in 220 countries and regions with around 600,000 employees (with almost one-third in Germany), and describes itself as the “world's leading logistics group.”

The state-owned investment agency, the Kreditanstalt für Wiederaufbau still owns 20.5 percent of shares. The largest individual shareholders are the US private equity firm Blackrock, with 4.9 percent and the US bank Goldman Sachs with 4.2 percent. The remaining shares are freely floated.

For managers and shareholders, privatisation proved to be a goldmine. Last Thursday, Post CEO Frank Appel reported a record profit (EBIT) of 8.4 billion euros for the past financial year, with turnover up 15 percent to 94.4 billion euros. Sales have doubled since Appel took office 15 years ago, and dividends have tripled. Profits are expected to increase further in the coming year through the buyback of €2.2 billion of the company’s own shares.

The increase in profits and turnover has all been achieved at the expense of the corporation’s global workforce.

In no other German company is the gulf between management salaries and average income as wide as at Deutsche Post. Five years ago, a study by the Hans Böckler Foundation revealed that Deutsche Post CEO Frank Appel earned 232 times as much as the average postal worker. At the other Dax indexed companies, CEOs earned “only” 97 times as much on average, and executives 71 times as much. In 2014, executives had earned 57 times as much as ordinary employees.

The real incomes of postal workers, on the other hand, have fallen continuously. Their starting salary is well below €2,500 (gross) per

month, i.e., just 61 percent of the average salary of full-time employees, which according to the Federal Statistical Office was €4,105 (gross) in April 2022.

In December last year, the Federal Statistical Office published figures for the entire postal and parcel service industry, which clearly show the massive levels of exploitation taking place.

According to these figures, gross monthly earnings for postal and parcel service providers increased by only 6 percent between 2011 and 2021, and by just 3.6 percent for skilled workers who had completed vocational training. In contrast, earnings in the German economy as a whole increased by 24 percent. Consumer prices rose by 14.6 percent during the same period, i.e., postal workers suffered a real wage loss of around 10 percent in the 10 year period.

At the same time, they carry out their work under the most difficult conditions. In 2021, 60 percent also worked weekends and 14 percent at night between 11 p.m. and 6 a.m. Almost one-third have irregular employment conditions. The total workforce grew by a fifth, to 530,000 in 10 years, while the turnover workers generated doubled to €54.4 billion over the same period.

### **The role of Verdi**

As noted above, all of Germany's governing parties were involved in turning the postal and logistics sectors into a low-wage sector. The key role in this was played by the Verdi trade union. Without the union's active support, the assault launched on postal workers would not have been possible and they would have rebelled long ago.

In 2001 the postal workers' union and four other unions merged into the United Services Union (Verdi). Frank Bsirske took over the chairmanship and remained at this post for the next 18 years. Bsirske had already demonstrated on which side of the class divide he stood. In the four years previous to 2001, as Hannover's personnel director, Bsirske axed the jobs of 1,000 of the city's 16,000 municipal workers. As a member of the Green Party, for which he now sits in the Bundestag, he was in close contact with the SPD-Green government, which implemented the Agenda 2010 welfare cuts program.

The well-paid trade union bureaucrats who go in and out of government office and corporate headquarters, earning several times more than the members they supposedly represent, profit personally from the exploitation of workers. There are 10 Verdi representatives on the supervisory board of the Post, who together pocket more than €1 million a year for their collaboration.

In 2015, Bsirske and Co. were no longer able to suppress resistance to the attacks made on workers by the post office. After the company started to outsource thousands of delivery workers to newly founded regional companies called DHL Delivery, where workers earned 20 percent less, the union bureaucrats felt compelled to call a strike.

From the start, Verdi had no intention of carrying out any sort of consequential struggle against the Post management. The union refused to mobilise all postal workers, limited strike demands to a few issues and sold the strike out after four weeks. DHL Delivery remained in place, the demand for a reduction in working hours was dropped and the miserly wage increase agreed by Verdi failed to even cover inflation.

In the following years, Verdi agreed to further wage cuts, which are now, with an official inflation rate of 8.7 percent, threatening the

livelihoods of many postal workers. It is simply impossible to live in a big city on such a measly income, let alone feed a family.

It is against this background that the current wage dispute is taking place. Post workers forced Verdi to enter the negotiations with a demand of 15 percent instead of 10 percent and in a ballot voted by 86 percent in favour of an all-out strike.

But Verdi, rather than organising a strike, returned to the negotiation table and within 48 hours presented a deal that is almost identical to the offer that union members had previously rejected. The members now have to vote on it. However, while the union's statutes require 75 percent vote in favor of a strike resolution, 25 percent are sufficient to accept the collective agreement—and thus prevent a strike.

The union is panicking about industrial action for several reasons. It fears that a postal strike will embolden the 2.5 million public sector workers for whom the union is also currently involved in contract negotiations. It also fears that the struggle could spread to other logistics companies in Germany and Europe and become part of an international working class offensive that threatens the foundations of the capitalist economy. In France, Britain and many other countries, millions are already taking to the streets against pension cuts, social cuts and falling wages.

Above all, Verdi fears that militant industrial action will jeopardise NATO's war against Russia and the massive rearmament of Germany, which it fully supports. The German government is providing the Bundeswehr with an extra €100 billion for rearmament and has boasted it invested €14 billion to support Ukraine last year, although there is allegedly no money for workers' wages and social benefits.

The developments of the past 30 years show that the dispute at the Post is not just about wages. It is impossible to win decent wages and working conditions without conducting a political struggle against the government, its accomplices in the Verdi union and the capitalist profit system.

In order for workers to take the strike into their own hands and build links with other workers in the global corporation, in the logistics sector, public sector and private industry, it is necessary to develop the Postal Action Committee.

At the same time, the Socialist Equality Party (PSG) and the Fourth International must be built as the new workers' party linking the struggle against exploitation and war with a socialist programme oriented towards the needs of society rather than satiating the profit demands of the rich.



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