

# Services union Verdi accepts arbitration to stall all-out strike in Germany's public sector

Christoph Vandreier  
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The new pay offer from Germany's municipal employers and federal government once again shows that they want to massively reduce real wages for public-sector workers, who have faced three years of extreme strain. While workers are reacting with anger and indignation, the services union Verdi wants to wear down their willingness to fight by means of the arbitration process and prevent a strike.

Based on media reports, it is clear that the offer presented by the federal and local governments in the last round of negotiations is nothing less than a declaration of war on the workers. After nurses, refuse workers and bus drivers have kept the country running for the past three years under the most adverse working conditions, the government now wants to slash their wages in real terms.

In view of an official inflation rate of almost 10 percent and far higher price increases for food and energy, the Verdi demand for a 10.5 percent rise, or at least €500 more in wages, over a 12-month period means a painful cut in real wages.

But this is not sufficiently punitive for the government. It is reported to have offered only 8 percent, or at least a €300 wage increase. A spokeswoman for the Association of Municipal Employers Associations (VKA) interviewed by the WSWs even denied that such an offer had been made, saying only that "elements of an agreement had been explored."

Even if the employers offered 8 percent, it would be a provocation. Assuming the 27-month contract duration of the employers' first offer, and a similar staggering of wage increases, the final outcome would be an annual pay rise of just over 4 percent. The one-time payments proposed are not incorporated into basic wages, and therefore do not affect future wage levels. If inflation in

food, energy and rent continues, an average worker would lose nearly half his or her purchasing power over the contract term.

The shortage of nurses and staff in other areas of the public sector would be further exacerbated by the massive wage cuts, and the already horrible working conditions would become simply unbearable. It is not only the workers who suffer, but all those who depend upon public health care, public transportation and other public services.

The government is organizing these deep social cuts to finance its insane rearmament plans and extract the billions given to the banks and corporations in the pandemic from the working class. On Wednesday, the Bundestag (parliamentary) budget committee quintupled arms deliveries to Ukraine to €15 billion—many times what the Verdi wage demand would cost the federal government.

Public sector employees are justifiably reacting with anger and indignation to this slashing of their pay in the interests of the rich and the government's rearmament drive. This was shown not least by their enormous willingness to take action during the warning strikes of recent weeks. Workers do not want to accept the government's attacks and are receiving overwhelming support from the vast majority of the population, which is itself affected by the cuts.

But Verdi is doing everything it can to prevent a full-scale strike. It has agreed to the arbitration process and thus committed itself to refraining from any strike action during this process.

Contrary to what the union and many media outlets report, this procedure is by no means an automatic process. In October 2011, Verdi and the VKA agreed that arbitration would be invoked after three rounds of inconclusive negotiations in future collective

bargaining. But there are no statutory regulations in view of the fundamental right to strike and freedom of association.

The conciliation process is a transparent attempt to wear down workers and prevent industrial action taking place. Former Saxony State Minister President Georg Milbradt of the Christian Democratic Union (CDU) was appointed by the employers' side and former Bremen State Councillor Henning Lühr from the Social Democratic Party (SPD) was named by the unions to jointly chair the arbitration commission. This means that representatives of the governing parties are sitting on both sides of the negotiating table since most of the Verdi officials also belong to the SPD or Green Party.

Arbitration is a contrivance intended to push through cuts in real wages in the end. Verdi has already shown this at Deutsche Post, where the union prevented a strike and accepted management's scandalous offer despite 86 percent of postal workers having voted against it in a strike ballot.

Verdi plays the role of strike-breaker and company police force because it is closely linked to the government and the corporations. It supported the bailout of the banks, just as it now supports the government's pro-war policies. When Chancellor Olaf Scholz (SPD) announced a "new era" and the biggest rearmament drive since Hitler, the trade unions joined forces with the government and employers to form Concerted Action, where they agree on how to suppress strikes and keep wages low in the face of horrendous inflation.

What the government, business and the unions fear is a European strike movement. In France, millions are taking to the streets against Macron's pension cuts; in Britain, hundreds of thousands are striking against wage cuts and restrictions on the right to strike; massive strikes are developing in Spain, Portugal, Belgium and many other countries. At all costs, Verdi wants to prevent this movement from spreading to Germany and challenging the government and its cuts and pro-war policies.

Workers must not accept the union straitjacket. If they want to defend their wages and end the unbearable working conditions, they must unite in independent action committees that express their distrust of Verdi and allow them to take the strike into their own hands.

The action committees must unite internationally in

the International Workers Alliance of Rank-and-File Committees (IWA-RFC) and link the struggle against cuts with the fight against war and rearmament.

Contact us now and send a Whatsapp message to the following number: +491633378340 to get involved.

As the WSWs wrote in a statement on Tuesday:

Public service workers must understand the confrontation with the government as what it is by its very nature—part of a European and international working class movement against capitalism and the politics of war. No social problem can be solved and wages cannot be defended without breaking the power of the banks and corporations and putting them under democratic control.



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