

Arbitrator's recommendation means massive cuts in real wages for German public sector workers

Public Sector Action Committee
17 April 2023

The following statement by the Public Sector Action Committee in Germany was addressed to workers in response to the arbitrator's decision that provides for a zero increase in basic pay rates. All 12 Verdi representatives on the conciliation committee have agreed to the settlement recommendation.

Dear colleagues:

The sole purpose of the arbitration process was to prevent a strike.

The arbitrator's decision provides for a zero increase in basic pay rates up to and including February 2024. Until then, we are to receive the €3,000 one-off payment to compensate for inflation in monthly instalments up to February 2024. Apprentices would only receive half of this.

The purpose of these instalments is to disguise the lack of any increase in our basic pay rates. We would only see our basic rates rise after 14 months of no increase in a contract lasting 24 months up to the end of 2024.

This means we are far away from the original demand for a 10.5 percent rise, or at least €500 a month, in a contract running for 12 months. But even this would not have compensated for inflation. Now we are being forced to swallow a €170 minimum amount spread over two years.

In view of continuing price increases of 20 percent for food, energy and rents, on which we spend the majority of our wages and salaries, this represents a massive reduction in real wages of 40 to 50 percent over the next two years.

On top of that, working conditions are becoming increasingly worse. A young worker at the Charité hospital in Berlin, for example, reports that "20 people

quit last month alone" in the intensive care unit of the heart centre. This is representative of many areas. Many, especially older workers, are at their limit and beyond.

We are also the ones who directly experience the consequences of devastated communities. We are the ones who must pay for the infrastructure that has been cut, the decaying administrative buildings, the poorly functioning IT systems, and so on. Our colleagues in social welfare offices, job centres and the immigration authorities are feeling the consequences of impoverishment and wars.

Accepting the current arbitration recommendation would further accelerate the downward spiral of poor working conditions and staff shortages. It is not just us who would suffer but everyone who relies on public health care, public transportation and other public services.

During the last three years of the coronavirus pandemic, we were the ones who kept things running: the 2.5 million federal and local public sector employees, the 2.5 million civil servants, the millions of employees in private and faith-based nursing and elder care facilities, the more than half a million employees at Deutsche Post and the logistics companies, etc. Now we are also supposed to pay for the billions handed over to the corporations, the rearmament of the Bundeswehr (armed forces) and the costs of the NATO war in Ukraine. Every cent they cut from us ultimately flows into the pockets of the rich and the military.

Verdi explicitly supports all this. The union tops are linked by a thousand threads to the state (the public sector employers) and the corporations. The tax-free

inflation compensation payments agreed last year by the federal government under Chancellor Olaf Scholz (Social Democrats, SPD), business representatives and the union tops—including Verdi boss Frank Werneke—in the “Concerted Action” were explicitly for this purpose.

When the collective bargaining round continues on Saturday, three long-time leading Social Democrats will be sitting at the table as negotiators: Verdi head Werneke, Gelsenkirchen’s mayor Karin Welge (representing the municipalities) and Federal Interior Minister Nancy Faeser (representing the federal government). They all share the policy of Scholz and the coalition government he leads.

The sole purpose of the arbitration process they arranged was to prevent a strike that we have wanted to conduct for a long time. That is why the arbitration commission was able to publish a recommendation barely a week before the deadline. If Verdi has its way, its acceptance will be a mere formality. All 12 Verdi representatives on the conciliation committee, headed by Christine Behle, Verdi deputy chairwoman, and Oliver Bandosz, head of Verdi’s public sector bargaining policy unit, agreed to the settlement recommendation.

Verdi has already announced it will hold a ballot on the collective bargaining recommendation that Verdi and the employers will present on the weekend based on the mediation result.

We call on all Verdi members to reject the offer. Secondly, we call on all of you to prepare now to take the strike into your own hands. Just like at Deutsche Post, Verdi will pull out all the stops to push through the cuts in real wages against us. At Deutsche Post, Verdi simply ignored the first ballot, in which 86 percent had voted in favour of a strike, conducted new negotiations and then again presented an almost identical result.

To prevent the same impending sell-out, we need to break Verdi’s control and build independent rank-and-file action committees.

Verdi, just like the other unions, stands on the side of the government and corporations. They are all united by the fear of a European-wide strike movement. In France, millions are currently taking to the streets against Macron’s pension cuts; in Britain, hundreds of thousands went on strike against wage cuts and the

restriction of the right to strike; and massive strikes are developing in Spain, Portugal, Belgium and many other countries. At all costs, Verdi wants to prevent this movement spreading to Germany and challenging the government with its policy of cuts and war.

But that is exactly what is needed: We must see ourselves as part of this European-wide movement against social cuts, wage theft and war. If we want to defend our wages and improve the unbearable working conditions, we must unite in independent action committees that place no trust in Verdi and take the strike into our own hands. The first thing we should do is network and unite with our colleagues at Deutsche Post.

Strategically, our action committees must unite internationally in the International Workers Alliance of Rank-and-File Committees (IWA-RFC) and link the struggle against the policy of cuts with the struggle against war and rearmament. Contact us by sending a WhatsApp message to: +491633378340.



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