

Why the sell-out by Germany's public service union Verdi must be rejected

Ulrich Rippert
1 May 2023

In a few days, Verdi members begin balloting on the new contract the union has agreed with the federal and local governments. Verdi is currently mobilizing its entire apparatus to push through the negotiation result, which means massive cuts in real wages, against growing resistance from the membership.

The union bureaucrats are trying to use sleight of hand and obfuscation to gloss over the result of the negotiations. But the fact remains that instead of the demand for a real wage increase of €500, or 10.5 percent for a 12-month contract, there will be no increase in basic wages for 14 months, with pay rates effectively frozen.

The new contract is intended to achieve two things in particular: A further reduction in real wages, which had already been massively reduced during the pandemic, and two years of “industrial peace” and thus a ban on strikes.

In view of this situation, the establishment of the Public Service Action Committee takes on the greatest urgency. It is necessary to break out of the Verdi straitjacket and build a new form of organization that is completely independent of the union apparatus and committed to the interests of the workers.

In an appeal to reject the Verdi dictates, the action committee has placed the union's wage reduction agreement in direct relation to the pro-war policy of the German government. It writes: “Billions for the rich and for war on the one hand and wage cuts for us nurses, educators and garbage workers on the other. That's the politics behind this wage settlement.”

There will be an online meeting of the Action Committee on Tuesday, May 2, at 8 p.m. to discuss how the rejection of the bargaining result can be developed into a rebellion against the dictatorship of the Verdi apparatus. Here you can find the link to the meeting, where you can participate anonymously.

The bargaining commission recommendation that is being put forward for approval is an outright provocation.

In the face of energy and food inflation of about 20 percent and skyrocketing rents, public sector employees, who have maintained public life under the difficult working conditions of the pandemic over the past three years, are to receive no increase in their basic wage rates at all, up to and including February 2024!

This largest cut in real wages in German history is to be

ameliorated somewhat by an “inflation compensation” payment of €3,000, which will be paid out in monthly instalments. But these payments are compensation for rapid price rises and are not an increase in wage rates. Once this compensation payment is used up, prices will continue to rise while wages remain low.

The increase in basic wage rates will not come into effect until March 2024, when prices will have risen further. Instead of the demanded €500 monthly increase, or 10.5 percent over a 12-month contract—which itself would have been far too little to seriously compensate for inflation—public sector employees are now expected to settle for €200 plus 5.5 percent, or at least €340, over a 24-month term. Calculated over 12 months, that's only €170 euros instead of €500!

Verdi had already agreed to cuts in real wages in the last contract in 2020, at the beginning of the coronavirus pandemic. At that time, the contract was for 28 months. In the last three years, the wages of public sector employees have risen nominally by less than 4 percent. Measured against the drastic increases in prices and rents, this represents a massive reduction in real wages.

This systematic reduction in wages is deliberate and a conscious political decision. The Verdi sell-out must therefore be seen in a wider political context. It is a direct component of the pro-war policy of the German government, which is exploiting the Ukraine war to carry out the largest military build-up since Hitler.

Last month, military aid to Ukraine alone was increased almost fivefold, from €3 billion to €15 billion. The “special fund” for the Bundeswehr (armed forces) is to be increased from €100 billion to €300 billion. The costs of this military madness are to be imposed on the working class by cuts in all social sectors and by lowering real wages.

The decision to prevent an open-ended strike in the public sector at all costs and to push through significant cuts in real wages was agreed at the highest political level in the Chancellor's Office. And the Verdi apparatus is the instrument with which the government is implementing this decision.

The negotiating partners in this round of contract bargaining are all dyed-in-the-wool Social Democrats. Verdi boss Werneke has been a member of the SPD for over 40 years. On the other side of the negotiating table sat two Social Democrats,

Gelsenkirchen Mayor Karin Welge for the municipalities and Interior Minister Nancy Faeser for the federal government. These so-called contract bargaining talks were in reality agreements between functionaries of the governing party on how the cuts in real wages must be shaped in order to push them through against the workers.

As early as last autumn, when the Ukraine war and ongoing coronavirus pandemic were driving up inflation, all the main German unions, corporate representatives and the coalition government under Chancellor Olaf Scholz (SPD) had agreed on a joint approach. The “inflation compensation” payments agreed at the time in the Concerted Action were not intended to compensate for the pay losses in 2021 and 2022, but to make up for the low wage increases in 2023 and 2024. This is exactly what the unions are now implementing.

That Verdi is imposing these wage dictates in close collaboration with the government and in support of its pro-war policies and military rearmament holds an important lesson. In the struggle against Verdi, workers must turn to a political program that links the struggle against cuts in real wages and social provisions with the struggle against capitalism and war.

That is why the formation of the independent Public Sector Action Committee is so significant. It represents two important principles. First, it fights for the consistent representation and full implementation of the interests and demands of the workers and refuses to subordinate these to the profit interests of the corporations and the pro-war policy of the government. It is not about a few handouts. Workers have rights, and the right to a decent wage is a fundamental right.

Secondly, the Action Committee fights for international cooperation and strives for a common struggle. Workers in all countries face the same or similar problems and need to work together across Europe and internationally in the fight against multinational corporations and governments.

The sanitation workers, nurses and many other public service workers know very well that they play the crucial role in maintaining society and the so-called public services. They have great fighting power and are stronger than the bureaucratic apparatus of Verdi. But this strength must be combined with a clear political perspective and independent organization.

The contract bargaining struggles in the public sector, at Deutsche Post and in many other areas are part of a growing movement that is developing throughout Europe and worldwide. In France, millions are demonstrating against Macron’s pension cuts; in Britain, hundreds of thousands are striking against wage cuts and strike bans; and widespread strikes have occurred and continue to occur in Spain, Portugal, Belgium, and the Netherlands.

The most important task is to turn these struggles into a conscious European and international movement directed against exploitation, capitalism and war. No social problem can be solved without breaking the power of the financial oligarchy. The fortunes of the super-rich must be expropriated,

and the economy placed at the service of social needs instead of the satisfaction of the profit claims of the wealthy.

In this context, Sunday’s May Day rally of the International Committee of the Fourth International and the International Workers Alliance of Rank-and-File Committees takes on great significance.

The call for the rally stated:

Two processes dominate this year’s celebration of the international unity of the working class: the war in Ukraine, which is escalating toward a global conflagration, and an international resurgence of the class struggle.

These two processes are profoundly related. The same economic, geopolitical and social contradictions that drive the imperialist ruling elites onto the path of war provide the objective impulse for the radicalization of the working class and the outbreak of revolutionary struggles.

Many speakers at the rally explained why the struggle against the dictatorship of the trade union apparatuses and the organization of independent action committees is directly linked to the building of a revolutionary and international party of the working class, the International Committee of the Fourth International and its German section, the Sozialistische Gleichheitspartei (Socialist Equality Party).



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact