

# New contract for German state public workers means fresh wage cuts and a ban on strikes

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The contract for the public sector announced last Saturday will once again cut workers' wages. Instead of the original pay rise demand of at least €500, or 10.5 percent over a 12-month period, the contract stipulates no pay rise for the entire first year of the contract. The stated aim of the union, i.e., to compensate for the wage losses of recent years, is totally negated in the contract.

None of the problems that have forced childcare workers, nurses, teachers, city cleaners, local transport drivers and other workers to take to the streets in protests in recent weeks will be even remotely solved. On the contrary, social polarisation in Germany is being massively exacerbated.

Overall, the union leaders in Potsdam settled for less than half of the original demand. The overall agreement includes a wage increase of 11 percent, spread over 25 months. The sealing of the contract means that, according to German labour law, workers are forbidden to take strike action until the end of 2025.

In terms of a single year, the result amounts to a 5.28 percent pay rise instead of 10.5 percent. The lowest pay scale groups will receive €340 more spread over 25 months, instead of €500 over 12 months. The first gross pay rise of €200 will not be implemented until November 1, 2024, which means a flat rate for the first year of the new contract. A further increase of 5.5 percent is to take place on February 1, 2025. Training allowances will increase by €100 on November 1, 2024, and by a further €50 on February 1, 2025.

The deal's tax-free inflation compensation bonus totalling €3,000 is to be paid in several installments. A total of €1,800 has been promised for this December, and €120 will be paid in each installment from January to October 2024. The inflation compensation premium fails to cover the cost explosion of the past two years and is a one-off payment that does not affect the regular wage.

The inflation premium was agreed last year, after the start of the war in Ukraine, as part of the "concerted action"

agreed between the German Trade Union Federation (DGB), employers' associations and the German government. The bonus is intended to distract from the fact that the trade union leaders had refrained from the outset to conduct a genuine industrial dispute over reasonable wages and conditions. In order to finance the war policy of the coalition government in Berlin, the trade unions agreed that wage increases should be kept minimal until further notice.

Since then, broad sections of the working population have experienced real wage cuts, while the upper social echelons continue to enrich themselves. As ZDF reported this week, based on data from the Netzwerk Steuergerechtigkeit (Tax Justice Network), Germany's billionaires own at least €500 billion more than previously assumed. The richest 10 percent in Germany own more than half of the country's total wealth, while the poorer half account for a maximum of 3 percent. While the class of minimum and low-wage earners is constantly growing, average-earning workers are also falling further and further behind.

This was also pointed out by the *Süddeutsche Zeitung* in an article published on December 11 with the title "Inflation hurts workers more than expected." It is based on studies by the Institute for Labour Market and Occupational Research (IAB) and the trade union-affiliated WSI Institute. Both come to the following conclusion: "The wave of inflation and the coronavirus crisis are depressing wages to such an extent that employees have less than they did in the mid-2010s." The last two years in particular, from January 2022 to September 2023, have seen a sharp drop in real wages.

The new contract in the public sector affects more than 1.2 million employees and will also apply to around 2.4 million civil servants and pensioners. On the employers' side, the negotiations were led by Hamburg's Senator for Finance Andreas Dressler (Social Democrats, SPD) on behalf of the state contract association (Tarifgemeinschaft der Länder). Dressler was a party colleague of now Chancellor Olaf

Scholz for many years. His negotiating partner on the union side was Frank Werneke, also SPD and chairman of the public service trade union Verdi. In addition to Werneke, the leaders of the civil servants union, the GEW education union and the GdP police union also sat at the table.

The negotiations continued on December 8 in Potsdam in a third round, while a rally of public employees took place on the street in front of the meeting. On the same day, the train drivers union GDL organised a 24-hour strike.

The contrast between the hollow platitudes of the union bureaucrats and their de facto collaboration with social attacks on workers was blatantly evident on this day. At the rally, GDL boss Claus Weselsky, as the main spokesperson for the dbb [civil service union], proclaimed to loud cheers: “We will break them!” A few hours later, the deal Werneke & Co. had negotiated behind closed doors with the Hamburg senator for finance was made public. At the same time, the GDL publicly renounced any further strike action on the railways until after the Christmas holidays.

Speaking to the press, Frank Werneke praised the contract as “truly outstanding,” while Dr. Dressler explained with a furrowed brow that the federal states could only manage the sum of €23.9 billion with the greatest of difficulty.

In fact, the tight budget situation of the federal states cannot be separated from the savings plans of the coalition government in Berlin. Exacerbated by the Constitutional Court’s recent judgement on the climate fund, the 2024 budget envisages unprecedented cuts in social spending. These will inevitably have an impact on public services at the federal, state and local level. On the other hand, the government and opposition categorically rule out tax increases on the income and assets of the rich and super-rich.

As the WSWS explained, the 2024 federal budget is a war budget in two respects: it plans record spending on arming the Bundeswehr, on the war against Russia in Ukraine and on weapons for Israel. At the same time, it represents a declaration of war on the working class, which has to cope with wage cuts, poorer social benefits and a dilapidated public infrastructure in order to finance militarisation.

The public sector wage settlement is part of this policy and is based on the political collaboration of union leaders. It is another prime example of the urgent need to form independent action committees, as proposed by the International Workers Alliance of Rank-and-File Committees.

Many local and federal public sector workers have already joined such action committees this spring, along with postal workers, railway workers, and autoworkers at Ford-Saarlouis. The committees are organisations of the working class that are democratic and consistently represent the interests of the employees.

The action committees are based on two central principles: Firstly, the needs and lives of working people are more important than the profit interests of corporations and shareholders. And secondly, the interests of workers can only be properly advanced as part of an international struggle. Workers everywhere are confronted with the same problems; they have the same interests and need an international strategy. Public sector workers need to liaise and work together with their colleagues in other countries, be it in France, the UK, the US, Canada or anywhere else in the world.

Last weekend, public sector workers in Canada set up an action committee. Nurses, teachers and other workers there are also ready to fight. They too are confronted with the betrayal of the union bureaucrats, who stand on the employers’ side.

In Canada, the members of the action committee passed a resolution calling on all colleagues to join them “to take into their own hands the fight for wage increases that will withstand inflation, against intolerable working conditions and in defence of healthcare, education and other vital public services.” They warn: “If we do not do this, the pro-capitalist union apparatuses will sabotage our struggle.”

We call on all public sector workers to get in touch with the action committees! The next online meeting will take place on Tuesday, December 19, 2023, at 7 p.m. Contact us via WhatsApp at +49-163-337 8340 with the reference “Public Service” and also register using the form below to help set up action committees.



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