

# German public service union agrees wage cuts and industrial action amnesty for Lufthansa ground staff

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After three days of negotiations behind closed doors, the executive of Germany's Lufthansa Airways and the public service union Verdi announced a wage deal for ground staff on March 27. At the side of Lufthansa Labour Director Michael Niggemann, Verdi negotiator Marvin Reschinsky emphasised that he was pleased to be working "hand in hand with Lufthansa again."

The new contract applies to around 20,000 ground staff at Lufthansa, Lufthansa Technik, Lufthansa Cargo and other Group-owned companies. The ground staff had expressed their discontent and militancy in five warning strikes, three of which lasted all day. A ballot on an indefinite full strike was then called off after intervention by arbitration officials. Now Verdi is hoping its members will approve the new agreement by mid-April.

The new contract cements the years of close cooperation between Verdi and Lufthansa. As a result of this longstanding collaboration, wages are falling further and further behind profits and inflation. The agreement guarantees the company two years of industrial peace and no strikes, thereby tying the hands of workers at a time of growing class struggle. Resistance to social inequality and war is growing throughout Europe, with airports occupying a central role in such struggles.

The Lufthansa Group made record profits last year. Its boss Carsten Spohr has spoken enthusiastically about the "highest turnover and profit ever achieved in one summer." At the same time the wage deal reached by Verdi does not even measure up to the already modest wage demand the union was supposedly fighting for.

The agreement provides for an average monthly wage increase of 7 percent for 2024, with retroactive effect from January, but amounting to at least an extra €280. The original demand was 12.5 percent per month, and at least €500 more pay over a term of one year. Now, Verdi's increase will take place over the course of two years, with the contract term planned to last "at least 24 months." Only

on March 1, 2025 will the monthly wage increase by a further 2 percent plus a basic payment of €150.

This means that the percentage wage increase will fall short of actual inflation. To compensate for this, the payment of an inflation compensation premium of €3,000 was agreed. However, such one-off payments do not affect the basic pay scale and will have no impact on future contractually agreed salaries. The bonus was originally intended to plug unforeseen deficits in previous contracts.

These deficits are indeed considerable. Four years ago, at the beginning of the coronavirus pandemic, Lufthansa agreed a drastic cost-cutting programme with Verdi and other airport unions involving wage cuts and the elimination of 30,000 jobs. As Verdi official Reschinsky admitted during a warning strike at the beginning of February, Lufthansa had "borrowed money from staff during the coronavirus pandemic that they now don't want to pay back. ... Employees have 10 percent less in their pockets today than they did three years ago."

War-related inflation since the beginning of 2022 has also hit airport employees with full force. Food and energy costs in particular have had a disproportionate impact on workers. Airport employees also have to live in the vicinity of expensive metropolises—Frankfurt, Munich, Hamburg, Berlin—where rents are becoming increasingly unaffordable.

According to figures from the Federal Statistical Office, food prices in January 2024 were 33.3 percent higher than in January 2020, with prices for heating costs and petrol even higher, at 47.6 percent. Overall, the consumer price index, which also takes other expenses into account, rose by 17.6 percent. According to the Hans Böckler Foundation, the average wage level fell by 4 percent in the same period. In the meantime, the government has lifted its price brake on energy, which had recently served to cushion the huge rise in heating costs and petrol.

Against this backdrop, Reschinsky's assurances that a "historic" result has been achieved with the Lufthansa deal

amounts to the union's usual smoke and mirrors. "We are extremely satisfied with this contract," boasted Reschinsky on March 29. "We have employees who will end up with up to €1,000 more per month in their pockets, so it's a complete success." The Verdi official claimed that some employees would receive "up to 18 percent more pay" as a result of the agreement.

The reality is that airport workers will only be paid back a small part of what was previously taken away from them. For example, a shift allowance of 3.6 percent is to be "reintroduced," as well as a small part of the Christmas bonus that was abolished during the coronavirus pandemic. The much vaunted harmonisation of collective agreements in the East with those in the West only goes to show how low wages remain in East Germany.

Although airports have now been operating at full capacity for a long time, the cuts imposed on workers with the help of the trade unions have never been fully compensated.

The new contract also introduces "working time flexibility of up to 40 hours"—an indication that employees will be expected to make up for their low wages by working more hours in future.

The German train drivers' union, the GDL, recently agreed a similar regulation: The alleged, loudly proclaimed reduction in working hours to 35 hours a week turns out to be the opposite: in the face of real wage cuts, the open working time corridor will result in longer working hours to make up for insufficient pay.

As the WSWS has written, such a collective agreement "supports the government in passing on the costs of armament and war to the working class." This also applies to the new agreement for airport ground staff.

Significantly, the deal was reached with the help of the Left Party. The two mediators appointed to reach a deal were Thuringia state Premier Bodo Ramelow (Left Party) and Dr. Frank-Jürgen Weise, the former head of the German Employment Agency. Ramelow, himself a former Verdi official, effusively thanked Verdi and Lufthansa "for three constructive and solution-oriented days of negotiations, which were characterised by trust and a willingness to compromise."

The Left Party—just like Verdi and the German Trade Union Federation (DGB)—is fully integrated into the German economic system and the government's war policies. Lufthansa stands out in this regard. Lufthansa Technik is an indispensable partner of the German Air Force and is increasingly orientating itself to the needs of the Bundeswehr. Its company website, LH Technik Defence, promises: "Together with the soldiers of the German armed forces and our NATO partners, we guarantee maximum operational availability." LH Technik will ensure "that

armed forces and governments receive the aircraft that are best suited to their missions and deployments."

Neither the trade union nor the Left Party have any objections to this. Verdi Chairman Frank Werneke expressly supported the special fund set up by the government for the Bundeswehr at the last Verdi Congress in September 2023, declaring, "I am fully in favour of creating a special fund now. This is necessary, and 100 billion euros will probably be far from enough."

War and rearmament are the ruling class response to the deep crisis of capitalism. Wars abroad inevitably go hand in hand with war at home against the working class. The trade unions stand unreservedly on the side of the government and the corporate bosses to ensure the costs of rearmament are compensated for by wage cuts, social cuts and increased exploitation.

They are meeting increasing resistance, however, from the working class. Parallel to the ground workers' mobilisation, airport security staff, train drivers and local public transport drivers also went on strike. In the Lufthansa Group, wage disputes for cabin and cockpit crew are imminent. In this situation, the main function of the latest deal is to prevent these conflicts combining into a united movement of the working class against war and social cuts.

The rapid conclusion of the contract through arbitration has made this particularly clear. At no point did Verdi want to risk an indefinite strike. The union only used its warning strikes to "let off steam" and gain room for its manoeuvring with management.

The deal at Lufthansa has reaffirmed the necessity of setting up independent action committees. These committees bring together airport workers with and without union cards to break through the dictates of the union apparatus, join forces with fellow workers in other companies and at airports across Europe, and take the fight for their interests into their own hands.



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