

German rail union agree to real wage reduction and 33-month strike ban

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In just three weeks and after just three rounds of negotiations, Deutsche Bahn (DB), the German train company, and the German rail union Eisenbahn- und Verkehrsgewerkschaft (EVG) have concluded a wage settlement with a massive reduction in real wages. Moreover, the agreement, which runs for 33 months until the end of 2027, gags workers just as the incoming German government imposes further funding cuts on Deutsche Bahn AG.

Wages will increase only 6.5 percent over almost three years, by 2 percent starting July 2025 and by 2.5 percent from July 2026. EVG members among DB employees will receive a further 2 percent in December 2027 as an extra payment, not as an increase in monthly wages but as an annual one-off handout. Next April there will be a one-off payment of €200 and starting December 2026, shift workers will also receive an additional payment of 2.6 percent as an annual one-off payment, with the option of partial conversion into two days vacation starting in 2027.

The official inflation rate in Germany is 2.3 percent, but is much higher for basic foodstuffs, rent and fuel. In view of the escalating trade war following Donald Trump's ascent to power in the US, inflation is set to rise significantly. The EVG has thus agreed a comprehensive reduction in real wages.

The EVG leadership and its co-lead negotiator Cosima Ingenschay are well aware of this sell-out and expect fierce opposition from union members and DB employees. In a mixture of the carrot and the stick, they are trying to maintain their bureaucratic dictatorship over the union apparatus and at the same time keep workers from quitting it. That is why they have agreed a bonus for union members only. "Over the term of the collective agreement, a total of €156 will be paid tax-free three times as an EVG recovery allowance,"

explained Ingenschay.

EVG's primary aim was to prevent industrial action. That is why it quickly advanced the negotiations and agreed a flash deal. This suppression of worker opposition by the rail union acts directly in the interests of the German government—both outgoing and incoming.

Early elections in Germany—which were called on the day of Trump's election—aim to bring a government to power that is even more right-wing than the massively unpopular ruling coalition. Friedrich Merz from the Christian Democrats (CDU), who has the best chance of becoming the next chancellor, is planning to break up the railroad company. The Network and Operations departments are to be split off in order to implement massive rationalization measures with job cuts and further wage reductions.

EVG has no intention of fighting these upcoming attacks, but is already creating the framework for implementing them. With the wage agreement, the union is already actively enacting wage cuts.

That is why it has extended the term of the contract—along with its no-strike pledge—until December 2027, that is, until the end of the ongoing S3 General Renovation Program. DB originally demanded a 37-month term for the new contract, but agreed to 33 months. Job protection promises, ostensibly part of the contract, are not worth the paper they are written on. This is clear from the opening clause of the DB Cargo contract. According to DB, "deviations from collective agreement regulations are permitted if necessary as part of the restructuring plan."

"In view of the CDU's plans to break up DB AG and the increasingly poor economic situation, it was important for us to be able to continue to rule out redundancies due to company finance or illness-related

reasons until the end of 2027,” emphasized Ingenschay.

Her statement after signing the agreement gives an idea of what this means: Ingenschay called on the Deutsche Bahn Executive Board to explain to the public what major challenges the company is facing. “Our colleagues are lulled into a false sense of security when they are constantly told that everything is not so bad, but behind closed doors completely different scenarios are being presented,” she said.

In other words: the greatest attacks are still being prepared. EVG knows about them and is giving the DB Group the necessary time to prepare them in cooperation with the upcoming federal government.

Last spring, Deutsche Bahn CEO Richard Lutz, who has an annual income of €2.2 million, announced that 30,000 jobs would be cut. This was put into concrete terms at the end of the year. Lutz and his board are acting in the interests of the German government, which owns 100 percent of DB AG. In order to finance German rearmament and plans for war, the government continues to cut costs at Deutsche Bahn. EVG is not only supporting the staff cuts at Deutsche Bahn, but also the attacks on working conditions and wages of those who remain.

The wage agreement heralds a new stage in the long-running dispute at Deutsche Bahn. It makes it clear that workers must break the control of the EVG apparatus. Railroad employees must take matters into their own hands. The German Rail Action Committee was founded in the summer of 2023. The founding resolution states:

The Railworkers’ Rank-and-File Committee is an association of railroad workers with and without union membership who are no longer willing to accept the domination of the EVG rail union apparatus. It is not the EVG officials, many of whom sit on the supervisory board and have long ago been bought off, who decide, but the rank and file. Our goal is to fight off the massive attacks on our wages and working conditions. Our rights to decent wages and tolerable working conditions take precedence over the profit interests of the rail board, investors and speculators.

We are calling on all workers at Deutsche Bahn and other rail transport companies to take up the principled defense of jobs and working conditions—including adequate wages and salaries—against the outgoing and incoming federal governments, the corporations and the trade union apparatus.

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