

German services union negotiations: Billions for weapons, real wage cuts for the public sector

Marianne Arens
21 March 2025

Collective bargaining in the German public sector has again demonstrated that the working class is facing a political struggle against not only the incoming government of the conservative Christian Democrats (CDU/CSU) and Social Democrats (SPD), but against their lackeys leading the trade unions as well. The giant German services union Verdi is doing everything in its power to prevent urgently necessary open-ended industrial action.

The original demand of the union—a one-year contract with a pay increase of 8 percent, but of at least €350, and three additional days off—from the outset was only a pretext. The union leadership never intended to stick to their guns. In the third round of negotiations last weekend in Potsdam, Germany, Verdi leaders Frank Werneke and Christine Behle voluntarily halved their demands.

Even this was not enough for the other side. Nancy Faeser (SPD), federal minister of the interior in the outgoing German government, who is leading the negotiations together with the mayor of the city of Gelsenkirchen, Karin Welge, put forward a provocative offer from the federal and local governments on Sunday. It is the first offer since October, when Verdi publicized its demands.

This “offer” is even worse than the recently concluded collective agreement for the German postal service. It provides for zero increase in pay from January to the end of September 2025; there will only be a 2 percent increase starting October 1, 2025; a further 2 percent in July 2026 and then another 1.5 percent in July 2027. The agreement is to run for three years, i.e., 36 months, during which time the union will refrain from industrial action. Inflation was already officially at 2.3 percent in January of this year, in other words, a deliberate reduction in real wages with a ban on strikes for years to come.

Verdi could not agree to this provocation without completely losing face. Nevertheless, early on Monday evening, the union spread the hope internally that there would be a fourth round of negotiations. This means that Verdi was prepared to negotiate the provocative offer.

A few hours later, however, SPD Minister Faeser announced the official breakdown of negotiations on Monday evening and

the federal and local authorities called for arbitration. During the arbitration, a no-strike obligation applies, meaning that strikes are not allowed for the time being.

The intention is clear: Faeser wants to ensure that calm prevails until a new government is formed and then push through a miserable deal under the guise of arbitration.

Faeser is a member of the SPD delegation leading the coalition negotiations with Blackrock banker and CDU chancellor candidate Friedrich Merz. Verdi is effectively meeting itself at the negotiating table as SPD Chairwoman Saskia Esken is a Verdi member and SPD Chairman Lars Klingbeil used to be a Verdi member. Klingbeil is now a member of another major union, IG BCE.

At the heart of future government policy is the gigantic war-preparation program worth €1 trillion, which the Bundestag passed on Tuesday with the votes of the CDU/CSU, SPD and Greens. Both the CDU/CSU and the SPD have made it clear that no funds are available for further spending. Budget consolidation on the backs of public employees, recipients of public benefits and pensioners will continue at an accelerated pace.

While a trillion euro are available for armaments and the development of a “war-ready” infrastructure, there is not a single additional cent for reasonable salaries. Corresponding cuts will be at the center of the coalition negotiations for the new government that will take place in the coming days. This is also the real reason for Sunday’s provocative “offer.”

The *World Socialist Web Site* and the Sozialistische Gleichheitspartei (the Socialist Equality Party in Germany) call on all public sector workers to set up Action Committees in their workplaces that are independent of Verdi to prepare a broad mobilization. These committees of ordinary workers must make contact with colleagues in other companies, other branches of industry and their colleagues in other countries in order to stop the destruction of social programs. They will combine the wage struggle with the fight against war. Their goal will be the restructuring of society based on the needs of the people, not on the basis of the profit interests of the rich and the shareholders.

Above all, the Action Committees must free themselves from the paralyzing stranglehold of Verdi and the other associated German trade unions (the DGB).

The upcoming arbitration process makes it clear that the Verdi leadership has no intention of opposing the conspiracy against the working class, rather it is part of this conspiracy. The arbitration will last several weeks, during which time no strikes are allowed, and will then present a recommendation which will have to be negotiated again by the collective bargaining parties. The whole process can take months.

The procedure is based on an agreement that Verdi concluded years ago with the federal government and the German Association of Municipal Employers (VKA) to prevent indefinite strikes. The dbb civil servants' association is also party to the agreement. Each side appoints 12 representatives, and in the event of a tie, the chairman, who has two votes, decides. While Hans-Henning Lühr, a former SPD state councilor from Bremen, represents the trade union side, the chairman of the arbitration committee will be none other than the former Hessian Minister President Roland Koch (CDU).

Roland Koch is no stranger to arbitration. He is a long-time friend and supporter of Friedrich Merz, whom he recently described as the "right man at the right time." Koch and Merz were part of the "Andean Pact," a network of influential CDU politicians that was founded in the late 1970s by members of the Junge Union, the youth organization of the CDU, during a trip to the South American Andean region. In the 1990s, the Andean Pact prepared the succession of the long-time CDU chairman and chancellor, Helmut Kohl, who was, however, booted out by Chancellor Angela Merkel.

Koch, who was minister president of the German state of Hesse from 1999 to 2010, then went into business, like Merz, and headed up the construction company Bilfinger Berger. He is known for his connections to economically influential circles in the Rhine-Main region, particularly Dresdner Bank and the Altana chemical group, and later UBS.

Koch represents the national conservative, extremely anti-communist wing of the CDU, which goes back to the "cold warriors" Alfred Dregger and Manfred Kanther. His rise in the 1999 election campaign in Hesse was accompanied by an anti-foreigner signature campaign against dual citizenship, which secured him the support of the political reaction. When it became known that the CDU in Hesse had smuggled millions, Minister President Koch brazenly justified this with alleged "Jewish legacies." At the same time, as a man of law and order, he demanded draconian punishments for petty criminals, including deportation if possible.

And who has now appointed Roland Koch as chairman of the arbitration commission? It is Nancy Faeser from the SPD, who has known him for years from Hesse. Faeser thus once again makes clear where the CDU/CSU-SPD pact is heading. Koch, who has the final say in the arbitration, will not hesitate to decide in favor of the interests of German imperialism and

against the wages, jobs and conditions of public employees.

The Verdi leadership around Frank Werneke and Christine Behle is of course aware of this. They share the political orientation of the upcoming government. It is part of the conspiracy against the working class. On the current Verdi homepage, Werneke justified the rearmament package with the words: "Europe must be able to defend itself, the Bundeswehr must be operational." Werneke played down the "special fund" for German war spending as a "real opportunity to clear the investment backlog in our country."

The warning strikes of recent weeks have shown how badly off thousands of public servants already are. Wages are not enough to live on in the cities; clinics, day care centers, the railroads, etc., are dilapidated and underfunded and there is a shortage of staff everywhere. But the special fund is not aimed at remedying these shortcomings, nor are the CDU/CSU and SPD planning to ask the super-rich to pay higher taxes, even though the number of billionaires is constantly increasing.

The warning strikes have also shown how willing workers are to fight. But the trade unions have no intention of taking up this fight. On the contrary, they are now working for the other side: the trade unions have turned into defenders of the profit interests of the German economy and the German state.

Collective bargaining, which has always been a mechanism for controlling the working class, is increasingly being used to push through real wage decreases and suppress resistance to war and social cuts. In particular, the long duration of the contract of up to three years is aimed at undermining the right to strike and tying the hands of the working class. The collective bargaining in the public sector with its arbitration under Roland Koch's direction is yet another telling example.

Anyone who is not prepared to continue bearing the costs of rearmament and the orgy of enrichment by the wealthy must take action now. Write us a message on the WhatsApp number +01748402566 to get in touch with us, or register right here using the form below.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact