Germany: From union boss to company executive—the case of Norbert Hansen

Stefan Steinberg
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After a prolonged debate going back a number of years and involving various alternative proposals and working papers, the cabinet of the German grand coalition government—made up of the Social Democratic Party (SPD), the Christian Democratic Union (CDU) and the Christian Social Union (CSU)—agreed to the partial privatisation of the national railway system April 30. Just eight days later, Norbert Hansen resigned his post as head of the Transnet rail trade union to take over as Industrial Relations Director at the German national rail operator, Deutsche Bahn (DB).

There is nothing coincidental about the timing of these two events. As head of Germany's biggest rail union, with 270,000 members, the 55-year-old Hansen was for a number of years a leading protagonist of privatisation. Now he is being rewarded, openly and shamelessly, for his campaign in favour of privatisation with a seat on the board of the new company—with a corresponding boost to his salary.

Reports in the German press of Hansen's move from union headquarters to company boardroom refer sympathetically to his days of doubt and misgivings before accepting his new post. Finally, the story goes, in consultation with close political colleagues, including fellow former "Young Socialists" (*Jusos*)—Hansen is a member of the SPD)—he agreed to the new job.

In fact, such media reports should be taken with a large grain of salt. It is far more likely that Hansen was promised a job (and corresponding stock options) with the privatised DB at a much earlier stage of the process.

At the annual conference of Transnet in 2000 Hansen actually opposed the privatisation plans put forward by DB Chairman Hartmut Mehdorn, but in the space of a few years the union official was to develop into one of the most ardent supporters of selling off the nominally state-owned concern to private investors.

At a special congress of his union in July 2007, Hansen pressured delegates to endorse the line of "constructive cooperation" with the government and DB management to bring about a parliamentary decision on a stock market launch (Initial Public Offering) as soon as possible.

Hansen argued that by selling up to 49 percent of DB shares it would be possible to retain the unity of DB and prevent a British-type fragmentation of the railways. His line of argument was supported by Transport Minister Wolfgang Tiefensee (SPD), who told delegates that everything would go well after the IPO and that DB needed "fresh capital" to become the "global player number one" in the logistics sector.

In October 2007 Transnet offered its services to the government. The union co-authored a paper that declared: "Transnet offers the federal government its advisory services with regard to the definition of the content of the privatisation law."

Professing its adherence to the principle of profitability for the denationalised company, which the union declares is just as important as the security of employees' rights, the paper continued: "The economic stability of the DB and its competitiveness in Germany, Europe and worldwide are just as relevant for job protection as the securing of existing contract rights." This ignores every disastrous experience with privatisation on a global scale in recent years. While speculators and their hangers-on have made fortunes, workers have lost out on every occasion.

On the issue of privatisation Norbert Hansen stands to the right of the Federation of German Trade Unions (DGB). At a meeting of the DGB executive in 2007, Hansen was the only bureaucrat who voted against a resolution opposing privatisation of the railways.

Finally, in April of this year the federal government agreed to proposals for the launch of Deutsche Bahn on the stock market. Following some opposition from within the SPD, Transport Minister Wolfgang Tiefensee was forced to compromise on his (and Hansen's) original plan to sell off 49 percent of DB shares. Instead 24.9 percent of shares will be made available for the IPO, but it is widely acknowledged that this initial floatation is likely to be just the first step towards the comprehensive privatisation of the railways.

Not content with actively supporting privatisation, Hansen has also played a major role in backing Mehdorn's “rationalisation” of the railways to present the best possible, (i.e., profitable) package to potential investors.

As union boss, Hansen was active in facilitating all the attacks carried out by the DB management on rail workers.

Originally a state-owned enterprise, German Railways was converted into a corporation in 1994 (provisionally still in the possession of the state). The consequences for railway employees were devastating. The company was split up into nearly 200 subsidiaries—a measure that led to a spiralling decline in wages and working conditions. Productivity has increased by 180 percent while personnel costs have decreased by 28 percent.

DB has shed nearly half its workforce since 1994—approximately 150,000 workers. At the same time, the remaining workers are required to work increasing levels of overtime—14 million hours in 2002 alone. All this took place with the cooperation of Transnet, and the other rail unions such as the white-collar GDBA and the GDL, the train drivers union.

In 2003, Transnet and the GDBA signed a contact pegging rail workers’ wages for over 24 months and in 2005 Transnet, the GDBA and the DB agreed to a so-called “Future Program for Economy and Employment.” The DB proudly announced that the new program meant a reduction in labour costs of 5.5 percent based on an unpaid extension of working times, increased flexibility and a new contract involving one-off payments with a two-year duration. Only at the end of this period were wages to be increased by 1.9 percent—less than the rate of inflation, i.e., a wage cut.

Again in July 2007 Hansen announced a “breakthrough” in contract negotiations with Mehdorn and agreed to a 4.5 percent wage deal for his members to begin from the start of 2008. The rapid conclusion of the deal with Transnet was aimed at freeing up the hands of the DB executive to concentrate on breaking the GDL train drivers’ union, which, under pressure from its members, had put forward a wage demand of 30 percent.

Hansen then used every opportunity to agitate against the train drivers’ strike. At a special meeting of the supervisory board of Deutsche Bahn, of which he is a member, Hansen supported a resolution, along with other “workers’ delegates,” calling on the company executive to remain unyielding “even if the GDL continues to strike.” Hansen’s main reproach against the GDL was that the union was violating “solidarity” with the other rail unions. For Hansen, “solidarity” has always meant direct collaboration with the DB executive.

In the event, after nearly a year of sporadic industrial action, the leadership of the GDL struck their own rotten deal with the DB board.

Hansen’s role as strike-breaker in the train drivers’ strike and his complete subservience to management have earned him the nickname of DB Chairman Mehdorn’s “poodle.” Allegations have appeared in the German media that the DB executive is secretly funding Transnet, which was widely regarded as a “house trade union.”

Now Hansen is to be rewarded handsomely for his services. He will now take over a number of the responsibilities carried out by the current personnel director of DB, Margret Suckale, who led the campaign against the recent train drivers’ industrial action. DB management will be relying on Hansen’s expertise and his extensive connections within the trade unions and German social democracy to nip any resistance to the privatisation of the railways in the bud—thereby creating the best possible conditions for propelling Deutsche Bahn towards becoming “global player number one” in the logistics sector.

Hansen’s salary in his new post has not been officially been made public, but if Suckale’s income is anything to go by, then Hansen can expect annual remuneration in the €2 million range per year.

Exclamations of protest at the rapid switch by Hansen from union boss to director of industrial relations were made by leading representatives of a number of other trade unions, such as the public service union Verdi and the train drivers’ GDL. However, no credence can be given to their complaints. The GDL has no principled opposition to the privatisation of the railways, but has merely warned against adverse consequences should rail track be privatised—as was the case some years ago in Britain.

As for Verdi, its chairman Frank Bsirske was also a virulent opponent of the train drivers’ strike and joined sides with Transnet in condemning the GDL. At the same time Verdi has played a major role in sabotaging a series of recent industrial actions by public services workers. In the course of all of these disputes intimate links have been revealed between the Verdi bureaucracy, management and local government.

The transition from union headquarters to boardroom is a common occurrence and flows from the logic of Germany’s particular form of “social partnership”—i.e., collaboration between unions and management. Hansen has raised eyebrows in trade union circles merely for the hasty, public and provocative manner in which he has jumped into bed with the DB executive.