

Germany: union organises celebration for Chancellor Merkel at VW works

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On September 23, the Volkswagen Works Council organised a festival for Chancellor Angela Merkel (Christian Democratic Union, CDU).

"The occasion was perfect," wrote *Die Zeit* about the meeting at Volkswagen's parent plant in Wolfsburg, which had been arranged by the Works Council chairman, Bernd Osterloh. In addition to members of the Volkswagen workforce, only "friends" were invited. Osterloh, who is a leading figure in the IG Metall union and the Social Democratic Party, welcomed more than 15,000 members of the workforce to the gathering, which was also attended by Merkel and her party colleague Christian Wulff, state premier of Lower Saxony and a member of the Volkswagen supervisory board. Lower Saxony holds a 20 percent share in Volkswagen.

Osterloh and Merkel entered the gathering side by side, followed by Wulff and Volkswagen chief executive Martin Winterkorn. To applause, Merkel personally greeted each of the Works Council members on the podium, shaking their hands as the company brass band played film melodies. She did not extend the same greeting to the Volkswagen managers, gathered on the other side of the stage. In the background, on a large screen, images of the new VW Golf VI model were shown, which had been unveiled only weeks earlier in Iceland and starts being delivered in October.

Osterloh opened the meeting with a short introduction, referring to the aggressors "from the south and in Brussels." By this he meant the Porsche company, headquartered in Stuttgart, which last week increased its shareholding in VW from 30 percent to more than 35 percent, as well as the European Union Commission, which would like to abolish Germany's so-called "Volkswagen law" (protecting VW from takeover) in the interests of Porsche.

The Volkswagen law is a remnant of the postwar period that also secures the influence of IG Metall at VW against large private shareholders. Among other things, it guarantees the Lower Saxony state legislature two seats on the supervisory board, which can only agree to close down plants and shift production by a two-thirds majority. Moreover, large shareholders are prevented from casting more than 20 percent of the vote at general meetings, even if like Porsche they possess more votes.

The federal government of the Christian Democrats and Social Democrats, led by Merkel, has drafted a new version of the Volkswagen law at the behest of the European Union Commission and European Court of Justice, who regard the existing law as an obstacle to the "free movement of capital." The new legislation

lifts some of the regulations contained in the old law. However, it still requires an 80 percent vote of VW general meetings to pass fundamental decisions and a two-thirds majority of the VW supervisory board to agree on decisions on production locations. Thus IG Metall--and the state of Lower Saxony with its 20.2 percent shareholding in VW--will retain a right of veto. This is being resisted by Porsche and EU Commissioner for Internal Market and Services Charlie McCreevy.

Like many other large corporations and international financial enterprises, Porsche seeks to use the EU Commission and the European Court of Justice to its advantage against national laws. If Porsche has its way, the sports car manufacturer will have the exclusive say in Volkswagen's affairs as soon as it owns a majority of its shares. According to German laws governing shareholdings, a right of veto is usually only possible when holding at least 25 percent of a company's shares.

This would mean Porsche could close down VW production locations without regard to the Volkswagen law or impose worse working conditions and lower wages if the company does not bring in the high net yields required by Porsche shareholders. Porsche chief executive Wendelin Wiedeking has already announced that this is exactly what he intends.

Volkswagen workers are thus rightly angry. But jobs, incomes and social gains cannot be defended with the methods of IG Metall and the Works Council, who have lined up behind the VW executive committee and supervisory board, and have made a pact with the CDU in the power struggle between Porsche and Volkswagen.

The Works Council has provided a platform for CDU chair Angela Merkel, from which she can pose as a tribune of the people. What an absurd farce!

"Her visit sends out a signal," said Works Council leader Osterloh. "It is a clear indication that the German government is backing the revised Volkswagen law." The workforce protections, as guaranteed in the Volkswagen law, may not be sacrificed "on the altar of the free movement of capital," he said. The 15,000-strong audience applauded, as did Merkel.

"VW is a real piece of Germany," Merkel said, because VW "links billions of people around the world with Germany." Volkswagen is also a "symbol for German reconstruction after the war," she declared, adding that "we" owe this to the "courageous actions of the employees." Therefore, there will continue to be a "Volkswagen law in the future." She would be strongly advocating

this. She ended with, "We will continue the fight," receiving a standing ovation.

Merkel spoke frequently of "we." "VW is Germany," she maintained in her speech. Such nationalist phrases assume a common interest between the federal government, the Volkswagen company and its workers, which does not exist. VW workers do not occupy the same position as Merkel, the government and the Volkswagen executive committee and supervisory board.

Merkel said that controversy over the Volkswagen law concerned fundamental questions--"how we conceive of Europe and globalisation." The EU should help to put a human face on globalisation instead of preventing politicians from doing so, she argued.

Such statements completely twist the facts. The way globalisation affects workers in Germany is determined in large part by large international corporations and financial establishments, for whom Merkel and her government speak.

The European Union laws and regulations are decreed by Berlin and by the other European governments in the interest of these corporations. The members of the EU Commission, responsible for ensuring EU laws are followed in the member states, are selected by the individual European governments. As the largest and economically strongest EU country, the German government plays a prominent role. It uses the European Union to deepen the social divide, to destroy jobs and push down wages and social security benefits, and to open up public services to the "free market," hiding behind the European Union Commission and EU law.

If the chancellor is now arguing to preserve the Volkswagen law, then this is bound up with the rise of nationalist tendencies within Europe. Faced with a bitter international competitive struggle and a mounting recession, every government is standing up for the "national interest." Regardless of professions of "European unity," political interference in the economy is growing, aimed at guaranteeing that key companies or banks remain under national control.

French President Nicolas Sarkozy is notorious for such interference, likewise the Italian prime minister, Silvio Berlusconi. In the past, Berlin was far more reserved, due to the German economy's strong international dependence. However, it is becoming increasingly active in protecting the interests of German companies.

This is how the alliance of the federal government, the state government of Lower Saxony, the VW Works Council and supervisory board chief Ferdinand Piech came about. Ferdinand Piech is also embroiled in a bitter struggle with other members of the Porsche-Piech family who control the Stuttgart-based sports car manufacturer.

Workers have nothing to gain from this form of economic nationalism. It plays off the workforce in one country or production location against those in another, dividing workers and subordinating them to the interests of "their" management, and thus opening them up to almost boundless extortion.

It is worth noting that there is not even agreement over the Volkswagen law within the CDU. Günther Öttinger (CDU), state premier of Baden-Württemberg, where Porsche is also located, stands on the side of the Porsche company in demanding the

abolition of the Volkswagen law. Porsche Works Council leader Uwe Hück, a member of IG Metall and the SPD, does as well.

The chancellor also said in Wolfsburg that she wanted to offer her support for "mitbestimmung"--the German system of workforce representation granting wide powers to the union bureaucracy--saying this "also makes much sense in the era of globalisation." In reality, the trade unions have long become an integral part of management. If a worker talks about mitbestimmung, he or she is thinking about their social rights, their working and living conditions, as well as those of their colleagues. If a trade union leader argues for "mitbestimmung" he or she has in mind the privileges that might be gained from it.

At Volkswagen, the Works Council and IG Metall have helped to implement drastic attacks against the workforce over recent years--and all in the context of mitbestimmung. This is the system that placed Klaus Volkert, Osterloh's predecessor, at the head of the Works Council, granting him a massive salary and extensive privileges--finally leading to his arrest and charges of corruption.

After the Kohl era, Merkel came to lead the CDU by vehemently advocating neo-liberal policies, which subject all social rights to the "free market." In October 2003, in a speech at the Konrad Adenauer Foundation, she said there would be "a howling and gnashing of teeth," but she would not avoid discussing attacks on unemployment benefits and other cuts.

Since then, Merkel has shown she is politically very pliant, and is always prepared to exploit favourable conditions. If she now appears to be siding with Works Council chief Osterloh before the VW staff, then it is not because she shares his concerns and wishes. In the face of mounting social tensions, she is exploiting the offers of the Works Council in order to pose as the "workers' chancellor" who cares about their worries. In one year's time, there will be a general election in which social conditions will play a large role. For Merkel, the election campaign began last week in Wolfsburg, with lavish support from the VW Works Council and IG Metall.



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