Germany: What lies behind the proposals for an "employee share scheme" at Opel?

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9 March 2009

Facing a crisis at Opel, General Motors' German subsidiary, leading representatives of the Left Party and the IG Metall union are promoting an "employee share scheme" as a solution for the workforce. They claim that such a scheme, coupled with state support, could create competitive German enterprises. In reality, such a perspective serves to prevent workers fighting to defend their jobs and subordinates them to the crisis-ridden capitalist system.

Left Party executive committee member Bodo Ramelow, who is also standing as the party's candidate for state premier in upcoming elections in Thuringia, has explicitly supported this plan in a recent discussion aired by *Deutschlandradio*.

Asked whether, as state premier in Thuringia, he would propose buying up the Opel plant in Eisenach, Ramelow answered, "Yes, of course. I would advocate buying it together with colleagues in the states of Hesse, Rhineland Palatinate and North Rhine Westphalia. I would have travelled to Hesse and would have negotiated a plan with [Christian Democratic Union (CDU) Hesse state premier] Roland Koch about how we could respond jointly to GM...."

Deutschlandradio then asked somewhat perplexed: "That would certainly be something really new: [CDU North Rhine Westphalia state premier] Jürgen Rüttgers, Koch, [Social Democratic Party [SPD] chairman Kurt] Beck and Ramelow all pulling together. Is that feasible?"

Ramelow answered: "It would make me very happy. It would actually be my dream concept, because it's not about party politics, but about the most important industrial partner and industrial base we have in Thuringia. Seen from Detroit, Eisenach is just a tiny speck. But seen from [the state capital of] Erfurt, Eisenach is the largest plant."

Asked whether he was proposing the formation of a state-owned company—Adam Opel AG—along the lines of the "people's enterprises" in the former East Germany, Ramelow answered, "It's not about setting up state-owned enterprises because that didn't work in the German Democratic Republic [GDR]. But it concerns the commercial-legal form: one needs a corporation or a limited company. For the moment, everyone is talking about Opel and would gladly provide state funding, but there is no Opel corporation. There is the Opel brand name. But first the company must be created."

So the GDR, in which Ramelow's party—then called the Socialist Unity Party (SED)—headed the Stalinist regime and politically suppressed workers, is now being used as an argument why the working class should continue to have no say in the factories! In reality, the GDR did not fail because it had abolished capitalist private property, but because the ruling Stalinist bureaucracy politically paralyzed the working class and pursued nationalist economic policies.

Ramelow's remarks underscore his deep enmity towards an international socialist perspective. As a possible future state premier in Thuringia, he and his party regard their task as defending capitalist property—and not only at Opel—against the opposition of working people.

Ramelow has enjoyed a long career as a union bureaucrat. From 1981 to 1990, he was a trade union leader in Hesse and from 1990 to 1999 functioned as regional chair of the HBV banking and finance union in Thuringia. Then his career took him into the Party of Democratic Socialism (PDS), the predecessor to the Left Party, becoming its leader in Thuringia's state parliament.

The chair of the Left Party, Oskar Lafontaine, has also expressed his support for employee share schemes. In a press interview he said, "We will not rely on nationalisation, but on employee share schemes," adding that "For me, nationalisation is not a left-wing project."

There's nothing new about so-called "employee share schemes," whether based on profit-sharing or taking on capital. It was promulgated by the trade unions in the 1960s and 1970s within the framework of Germany's corporatist "social partnership." Through participation in a company, for example, in the form of employee shares, workers are to be tied to "their" company and opened up to extortion over their wages and conditions. If the company then goes bust, they lose not only their jobs, but also their savings.

Some companies were quick to recognise that such share schemes and profit-sharing meant workers could be spurred on to higher productivity. The profits making their way into workers' pockets are usually small; on average, employees who "participate" in their company receive less than €1,000 a year.

In recent years, even the Christian Democratic Union and federal President Horst Köhler (CDU) have supported such profit-sharing schemes. There is even a draft bill for an employee share participation law in the *Bundesrat* (upper house of parliament), which in all probability will clear its last parliamentary hurdles and come into effect on 1 April.

The demand for "employee share schemes," particularly in the case of enterprises like Opel that face imminent bankruptcy, is meant to orient workers towards their "own" company and prevent a common struggle with their colleagues throughout the international GM group and the wider working class. Under a regime of "expanded workforce representation," the Works Councils and the IG Metall would be responsible for implementing the "restructuring plans" directed against the staff. Moreover, workers holding "employee shares" would be taking on a massive burden—at Opel there is talk of some €1.2 billion in funding being required.

Ramelow cited Volkswagen as a model for an "Opel AG." He told *Deutschlandradio*, it should "be done like it's done at VW under the Volkswagen law."

"There you have a successful corporation, in which four states possess shareholdings. And my dream concept would then be to develop, together with the staff, an employee share holding of up to 49 percent and to bring a further strategic partner on board. Either that could be GM itself. Or it could also be another auto manufacturer. Daimler would be an ideal partner, which together with Opel could then form this new company to engage in automotive manufacture, research and the like."

There is no other company where the much praised German employee share scheme is practiced more intensively than at VW, and which Ramelow now cites as a model to be emulated. For many years, corrupt board members, like personnel director Peter Hartz, state premiers, like Gerhard Schröder, IG Metall big wigs, like Jürgen Peters, and well-paid Works Council leaders, like Klaus Volkert, formed a cartel which continually demanded massive sacrifices from the workers.

The depth of the swamp at VW into which the "workers' representatives" sank is now well-known. Both Hartz and Volkert were found guilty of corruption by the courts. Even Germany's corporatist legal framework had never envisaged the expensive pleasure trips, including prostitutes supplied at company expense, organised at VW.

Moreover, Volkswagen itself is facing a crisis. Tens of thousands of staff have already been put on short-time working and all temporary workers are to be dismissed. And all this is done with the energetic support of the IG Metall and the VW Works Council members.

Ramelow has called for "a return to classical structures, where those who are actually responsible on a daily basis for the success of the enterprise, also participate in it and can influence the decision making."

On the basis of the Volkswagen model, it is now clear what he means by a "return to classical structures" and "influencing the decision making." With the help of the trade union bureaucracy and their Works Council members, the Social Democratic Party, the state governments and the Left Party, mechanisms are to be created at Opel enabling it to push through mass redundancies, factory closures and wage cuts.