Class justice in Germany: banker wins €1.5 million redundancy judgement

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17 October 2009

A German banker who bears much of the responsibility for the record losses made by the Dresdner Bank in 2008 has won his appeal for a €1.5 million redundancy payment. On Thursday a court in Frankfurt-Main agreed the claim brought by the former capital investment boss of Dresdner Bank, Jens Peter Neumann, who was demanding the €1.5 million sum. Neumann had already received a bonus of €3 million from his former employers, despite the disastrous results for the bank recorded under his management.

As head of capital market transactions for Dresdner Bank, Neumann played a key role in the forms of speculative investment that led the bank to report an operating loss of a staggering €6.3 billion for the year 2008. A large amount of these losses were made by the Dresdner Bank subsidiary, Dresden Kleinwort, which had sustained huge debts through its involvement in the US sub-prime market.

In August 2008 the stricken Dresdner Bank was then taken over by the Commerzbank. Working in the background the German government encouraged the takeover in preference to a rival takeover bid by a Chinese finance group.

When it emerged that the Commerzbank was also deeply in trouble because of speculative practices similar to those of the Dresdner Bank, the German government intervened to assume a 25 percent share in Commerzbank at a cost of €18 billion in taxpayer revenues. According to industry sources, the merger of Dresdner Bank and Commerzbank is expected to cost the jobs of no less than 9,000 employees.

Having played a leading role in the destruction of billions of euros in assets and thousands of jobs following the bankruptcy of the Dresdner Bank, investment banker Jens Peter Neumann was rewarded in 2008 with a bonus of €3 million for his services. The bonuses were drawn from a pot of €400 million set aside by the Dresdner Bank's holding company, the Allianz group, to reward its top flight employees at Kleinwort.

Not satisfied with his €3 million bonus, Neumann went on to lodge a legal claim for the payment of redundancy money. Following the merger of Dresdner and Commerzbank last January a stop had been put on redundancy and bonus payments.

This led in turn to at least 12 legal actions by bankers in Frankfurt and London, including Neumann. These claims have largely met with success. In mid-July a court in London called upon Commerzbank to pay out a total sum of €10 million to four investment bankers. In other cases, the bank made settlements out of court and paid out millions to the bankers.

Now, following the latest judgement in Frankfurt, Neumann has also been able to pocket his redundancy money. Neumann himself did not appear in court. He currently lives on the island of Cyprus, a tax haven, and was represented in court by his attorney.

His victory in Frankfurt is expected to unleash a string of further claims by up to 70 other Commerzbank/Kleinwort bankers who are also demanding their pound of flesh.

The judgment in favour of Neumann is a blatant example of class justice. The court declared it had made its decision because the bonus and redundancy payments for Neumann had been contractually agreed, and any violation of such a contract represents a "breach of trust."

A completely different set of rules applies, however, when it comes to ordinary workers. While the fine print of the contracts of top bankers and managers is adhered to the letter by the courts, the same courts treat the employment contracts of working people with contempt and disdain. There have been a series of cases in Germany where workers have been sacked on the spot for the most trivial of reasons.

In August 2008, supermarket cashier Barbara E, often referred to as "Emmely," was sacked without notice because she had allegedly pocketed bottle coupons valued at €1.30 left by a customer. Emmely had worked for her employer for over 30 years. Her dismissal was upheld both by a Berlin labour court and an appeal court.

In September 2008, two employees of the bakery chain Bergkamen were sacked on the spot. They were accused by their employer of spreading their bread rolls (for which they had paid) with a paste from the bakery. The value of the paste was estimated at 10 cents.

In June of this year, a worker in Oberhausen was dismissed on the spot for charging his cell phone at his workplace. The estimated value of the electricity he used is 0.014 cents. The worker, Mohammed Sheikh, had worked at the industrial plant Jawa in Oberhausen for 14 years.

And just this week, coinciding with the judgment of the court in Frankfurt, an industrial court in Radolfzell confirmed the immediate dismissal of a female health care worker accused of taking six leftover meat pasties from the home for the elderly where she was employed. The 58-year-old had worked for her employer for the past 17 years.

Following their dismissal after decades of work all of these workers are condemned to a life of poverty receiving paltry social welfare payments and with little chance of finding a new job.

It would be mistaken to regard such judgements by a series of German courts in the past year as merely a series of isolated cases. They are, in fact, part of a calculated offensive by legal and political circles to roll back all of the employment rights won by workers in centuries of struggle.

The socially destructive, speculative activities of bankers such as Neumann have received important support from leading legal authorities. The prominent legal magazine *Neue Juristische Wochenschrift* (*New Legal Weekly Revue)*, published a five-page article by Volker Rieble, professor for labour and civil law at Ludwig Maximilian University in Munich, justifying the judgement against shop worker Emmely.

The very same professor has also defended greedy bankers demanding excessive bonuses. According to recent statements by Rieble, in the course of the finance crisis bankers have developed into "a socially highly regarded profession," and any attempt to interfere with the system of bonus payments to would amount to the "disenfranchisement of an entire professional group."

Equally the German government, as a principal shareholder in Commerzbank, shares responsibility for the exorbitant payments currently being handed out to failed bankers conducting criminal speculative practices. The deafening silence by members of the governing parties following the Frankfurt judgment makes absolutely clear that they thoroughly approve of the judge's decision.

There is another important aspect to the court judgment in Frankfurt on Thursday. The judges were sending a clear signal to the finance world: "You have nothing to fear from us. We will do all we can to support your activities. The financial casino is reopened for business!"