# Germany: The way forward for Schlecker drug store workers

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Bankruptcy administrator Arndt Geiwitz has announced a 15 percent wage cut and the cancellation of holiday and Christmas bonuses for the remaining 13,500 employees of the Schlecker drug store chain. He also made it abundantly clear that no matter which investor comes on board, there will be further attacks on working conditions and jobs.

Geiwitz reached an agreement on this approach with union officials from Verdi [Vereinte Dienstleistungsgewerkschaft—United Services Union], with whom he is currently conducting intensive negotiations on a so-called restructuring agreement. Verdi is asking that, in return, the company agree to "employee involvement". However, this would not benefit Schlecker workers, but rather reinforce the partnership between Verdi and any future management.

It is now clear that Verdi is serving as business consultant to the Schlecker Group and has been preventing any serious struggle by the workers directly affected. The WSWS therefore calls on all Schlecker employees, both those who have already been sacked and those still remaining at the company, to contact the *World Socialist Web Site* at wsws@gleichheit.de in order to organise and coordinate further action against wage cuts and layoffs independently of the union.

There is every indication that Anton Schlecker deliberately organised the bankruptcy in order to fundamentally restructure the company and increase its profitability. His children, Meike and Lars Schlecker, who have apparently retained control over large amounts of the family fortune, are now involved not only as creditors of their father's business, but also as potential investors. It is possible that after the supposed insolvency, the family could again be in charge, but this time with only half the number of workers and with a new contract imposing worse conditions and lower wages.

This approach is not new. In June 2009, US auto giant General Motors (GM) used bankruptcy proceedings to enforce mass layoffs and impose pay cuts of up to 50 percent for new-hires.

This model has since been used several times in Germany. The printing press manufacturer Manroland sacked more than 2,000 employees as part of the bankruptcy process. The new owners, Possehl & Co., worked closely with the IG Metall union and the same firm of liquidators involved at Schlecker—Schneider, Geiwitz & Partners—to impose drastic cuts in wages and working conditions. Something similar happened at the large bakery chain, Müller-Brot. Here too, more than half the workers were thrown onto the street to ensure the profits of new investors.

At Schlecker, even if the children of company founder Anton Schlecker do not prevail and the Slovak investment group Penta comes on board, the remaining employees must expect further wage cuts and worse benefits. Geiwitz has already signaled that the pay cut of 15 percent may be insufficient and greater sacrifices will be required of the employees. The staff who have been sacked, some of whom have worked for decades creating billions in profits for the Schlecker family, are to go away completely empty-handed and not even receive redundancy payments.

It is absolutely unacceptable that the burden of the insolvency be placed entirely on the backs of the employees. Before the creditors see a single cent, the workers must be paid their full wages and redundancy entitlements. The Schlecker family fortune must be seized to pay all outstanding wages, severance pay and benefits. If the capacity of the group really is too great, it must not be reduced through layoffs, but only through a cut in working hours without loss of pay for any employee.

To fight for these demands, Schlecker workers must organise themselves independently of Verdi and form action committees—revoking the union's negotiating rights—to organise collective action and prepare to link up with Schlecker employees internationally, as well as with workers at other drug stores and throughout the retail trade.

From the beginning, Verdi has collaborated closely with management against the workers. A substitute member of the works council reported on the company's own web forum—schlecker-blog.com—that she saw documents explicitly talking about “drafts for the social plan in the event of a bankruptcy filing” dated October 7, 2009. This means that Verdi has been involved in the company’s bankruptcy plans from very early on, but employees were kept in the dark and only learned of the insolvency from the media at the beginning of this year.

The mass layoffs were accepted and implemented by Verdi without organising any industrial action. When the plans to set up a rescue company failed, the union saw its role as pressuring the staff not to seek payment of outstanding wages and redundancy entitlements, so that more profits remained for any investors. Verdi negotiator Bernard Frank deliberately played off the workers who had been laid off against those who had been retained by Schlecker, claiming that anyone who sought legal protection against unfair dismissal was endangering the jobs of the remaining employees.

There are also numerous indications that the mandated redundancy programmes were not used, but that people who had good relations with the works council were given preferential treatment. There are several legal cases still pending in this regard.

Verdi was the means by which the extortionist method of the company owners and the insolvency administrator was transmitted to the workforce. Before Geiwitz had even raised his demand for a 15 percent wage cut, union official Stephen Weis-Will told workers attending a company meeting in Mannheim that they should adjust to the fact that there would be “far less money”. Franke also told the *Südwest Presse* that those workers remaining at the company would have to make a contribution to the restructuring, for example, by giving up holiday and Christmas bonuses.

The proposal by Verdi to convert the workers’ financial claims into equity investments in the firm serves the restructuring of the company and not the staff. While it costs Schlecker nothing, employees would lose everything in the event of a final bankruptcy.

The insolvency of Schlecker is part of a comprehensive attack on the working and living conditions of the entire working class. This spring has already seen mass redundancies at Manroland, which were followed by further job cuts. Germany’s biggest power company, E.on, announced the elimination of 11,000 of its 80,000 jobs worldwide, including 6,500 in Germany. Almost simultaneously, Nokia Siemens Networks, one of the largest telephone network suppliers in the world, announced it was reducing its workforce by 25 percent, cutting some 17,000 jobs internationally, including 3,000 in Germany. Shortly afterward, the cosmetics group Beiersdorf in Hamburg reported it was sacking 1,000 of its 18,000 employees worldwide, including several hundred at the company’s headquarters. This is far from a complete list of the planned mass sackings.

Devastating social cutbacks are taking place at the European level and globally, shifting the burden of the international economic crisis onto the population. The massive cuts in wages, pensions and social services in Greece are now the benchmark for all of Europe. The social counterrevolution is continuing in Italy, Spain and Portugal.

Everywhere, the unions play the same despicable role. They restrict opposition to fruitless protests, play off one location against another, dividing workers, while simultaneously collaborating closely with the corporations and the governments. The principled defence of workers’ rights at Schlecker demands a break with the corrupt politics of Verdi, whose functionaries are well-paid servants of the capitalist profit system, condemning their own members to become paupers. It is not a question of charity. Workers have social rights!

The right to work and to a fair wage are fundamental rights. When the Schlecker heirs, the liquidator and the Verdi co-managers claim that the preservation of jobs and wages is not possible under the given conditions, then they are merely expressing the fact that capitalism is incompatible with the vital interests and needs of the population.

Jobs, wages and social standards can only be defended on the basis of a political perspective that places the needs of the population above the profit interests of big business, that is, on the basis of a socialist perspective.

The formation of action committees is needed to end the control of the unions and to coordinate the defence of jobs, wages and social provisions. This is directly linked to the construction of an international socialist party.

The WSWS and the Partei für Soziale Gleichheit (PSG, Socialist Equality Party) call on everyone who is willing to discuss these issues and to support a principled struggle to defend jobs, wages and workers’ rights to contact us.

To contact the WSWS and the Socialist Equality Party visit:

**wsws.org/contact**