German trade unions do the dirty work for Manroland management

Marianne Arens 22 June 2012

A labour tribunal in the German city of Offenbach has confirmed that the German trade union, IG Metall and its works councils, worked secretly with the insolvency administrator and shareowners to organise the bankruptcy of the printing press manufacturer Manroland. At the time of the insolvency, the WSWS pointed out this collusion.

Twenty-six former employees filed a suit with a labour court in Offenbach against Manroland and the insolvency administrator, Werner Schneider. The workers complain that they were prompted to sign a termination of jobs agreement at the end of January 2012 on the basis of "fraudulent misrepresentation". As a result, they lost their jobs under the worst conditions imaginable.

The court dismissed the workers' claim, but in the course of the trial it emerged that the main role in duping the Manroland workforce had in fact been played by IG Metall and its works council.

The lawyer for the 26 plaintiffs, Volkmar Spielmann from Hanau, declared in the course of the proceedings: "From our perspective the works councils belong in the camp of the insolvency administrators of Manroland. They have willingly and consciously represented the insolvency camp in the case of Manroland. Council members told the workers: 'If you do not sign (termination of employment agreements) you will be sacked without notice by the insolvency representative'. That was a deception."

He then added: "Several councils—if I may say so—took over the dirty work of disposing of half the workforce in order to meet the conditions for a takeover."

What actually took place?

On January 23, 2012, the 1,750 employees of the Manroland plant in Offenbach were informed at a staff

meeting that the liquidator of the company was planning to shift about half the workforce into a so-called "transfer company", which permits workers to retain part of their wages for a period while they prepare for unemployment. The very next day the workers affected received job termination agreements for signature.

Of the more than 900 workers who lost their jobs in January at Manroland, almost 180 have now lodged appeals with the labour court. The slimmed-down, bankrupt press manufacturer was then taken over on February 1 by another company, Langley Holdings PLC, with just 824 workers retaining their jobs.

However, as the lawyer for the plaintiffs made clear before court, the sacked workers were not merely inadequately informed, they were deliberately deceived by the union, which was intent on ensuring a 95 percent rate of agreement by workers to accept redundancy and thereby pave the way for the takeover of the company by Langley. Spielmann told the court that the British investor Langley "did not just appear out of the blue on February 1."

Workers had been told by the union that there was no other interested party for the company on the horizon and therefore no alternative to agreeing to redundancy. Otherwise, the company could be declared insolvent and workers sacked by the bankruptcy administrator without notice.

In addition, Spielmann continued, workers were told that the production of individual presses was to be terminated. Also, contrary to the claims of the union, there was no selection of workers to be retained on the basis of social needs. The claim that selection was made "strictly according to social criteria" appears to the workers today as "preposterous", Spielmann said, continuing: "I bet that none of the workers retaining

their jobs today are disabled. They have all been sorted out".

Based on the this web of falsifications and deceit on the part of the union, workers had just seven days to decide whether to sign a termination agreement. Those who did sign lost their rights to the terms of redundancy and severance payments that normally apply in the company.

The opposing side in court representing the new management of Manroland Sheetfed and the insolvency administrator Werner Schneider dismissed any blame on their part, thereby throwing the ball back into the court of the trade union. Both Schneider and Langley denied any knowledge of the negotiations carried out to decide who was to be sacked and who would keep their jobs. The list of workers to be dismissed was "one hundred percent agreed upon with the (works) council", they said.

While admitting this, the attorneys defending the management nevertheless sought to reach out a helping hand to the unions, with one lawyer claiming in court it was "far fetched to claim that the council was on the employer's side."

At the end of the trial, judge Ingrid Hopfner bluntly dismissed the workers' case, declaring: "The workers signed. That's the problem. ... You always have the option to say no". She then went on to claim that on this basis "fraudulent misrepresentation" was not evident.

The hearing graphically confirmed the role played by the unions and works councils at Manroland and recently at a number of other companies. The union played the leading role as management consultant in implementing the bankruptcy. Six months after signing their redundancy agreements, most workers remain jobless. Many of them even failed to receive a decent job reference from their employer.



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