Germany: Creditors decide to break up Schlecker drugstore chain

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Creditors of the Schlecker drugstore chain met in Ulm, Germany on Tuesday and decided to break up the company. Nearly a hundred workers demonstrated outside the building where the gathering took place.

At the meeting, insolvency administrator Arndt Geiwitz put forward his proposals for the destruction of what remains of the company's original workforce of 25,000 (some 13,200 workers remain). The firm's value was estimated at several hundred million euros, despite the bankruptcy of its owner, Anton Schlecker. Following the sell-off of the company's assets, the funds will be distributed to the creditors, according to a plan worked out by Geiwitz. The administrator was not prepared to provide any details of his plan.

According to Geiwitz, creditors have presented claims amounting to a total of €665 million. He estimates the current value of the company to be between €800 million and €1 billion.

Media reports indicate that Lars and Meike Schlecker have entered significant claims. According to *BusinessWeek*, the owner's son and daughter are asking for more than €170 million. Each is claiming approximately €48.5 million, plus €76 million for the LDG logistics company headed by Lars Schlecker. LDG's sole customer was the Schlecker Group.

Other demands on the bankrupt company have been made by billion-dollar credit insurer Euler Hermes, the German Employment Agency and Inland Revenue, which has filed for an outstanding tax debt of €73 million.

At a press conference, Geiwitz declared that the sum of €665 million did not include any provisions for the latest round of 13,000 layoffs. The vagueness of the information available suggests that no provision has been made for the outstanding claims against redundancy made by 4,500 workers. The fact that Geiwitz named the sum of €665 million to the press indicates that he intends to settle all of the creditors' claims before former employees see a cent of the money. Geiwitz had previously stated that the demands of creditors would "naturally be met".

According to Geiwitz, an "opportunity" for the drugstore chain's continuing to operate had been missed—but only on the condition of job cuts and the withdrawal of all claims against redundancy. Verdi (United Services Union) had agreed to lower wages and a waiving of workers' Christmas and holiday bonuses, but Geiwitz told a WSWS reporter that this was insufficient.

Geiwitz had asked Verdi for wage cuts of 15 percent for a period of two-and-a-half years and revealed that the union was prepared to take up his offer. If an appropriate investor had emerged, Geiwitz was of the opinion that "Verdi would probably have played along, if everything else was in order".

Geiwitz also made clear that he was relying on Verdi during the process of breaking up the drugstore chain. On a number of occasions, he stressed the importance of "constructive cooperation" with the union. He declared he wanted to work closely and constructively with Verdi in winding down the company and drawing up a "social plan" for the sacked employees. One day later, on Wednesday, Geiwitz met with Verdi and works council representatives.

Dozens of Schlecker workers from the region near Ulm lobbied outside the meeting. The relatively low attendance at the protest lobby indicated that the union had made no real attempt to call out its members. Verdi seemed to have no interest in organising a mobilization, one sacked employee informed the WSWS.

Following five months of uncertainty and, finally, the announcement of a sell-off, Schlecker workers responded with frustration, anger and shock to the elimination of their jobs. “I feel like I’ve been tossed into the river”, one female employee told our reporter.

Despite their frustration, many workers at the lobby expressed their support for a central mass rally. Ganina K., a Schlecker employee from the Tubingen area, told the WSWS: “I would have liked to see all those 13,000 who have been sacked here”.

She expressed her disappointment with Verdi. “I don’t agree with Verdi and the way they have handled the bankruptcy”, Ganina said. “We were never informed of what was going on. Our customers often asked us, but we had to reply that we didn’t know any more than they did”.

The workers revealed in discussions they were not aware that Verdi had its own representative on the creditors’ committee, who was informed of all the details of the bankruptcy.

Other workers told the WSWS that there had been no central organization for the lobby and no transport organised from other regions. Many had learned of the lobby only a few days before, or organised themselves independently to attend.

Kerstin, 48 years, has worked for Schlecker for 19 years. Despite her nearly two decades of employment, she sees little chance of any redundancy payment. “We have just been messed around with for the past six months”.

Representatives of the *World Socialist Web Site* distributed leaflets to the Schlecker employees raising the central political questions in the conflict.