Political lessons of the break-up of the Schlecker drugstore chain

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This leaflet has been distributed widely to Schlecker workers.

The impending destruction of the drugstore chain Schlecker and the sacking of its 25,000 workforce are first and foremost an indictment of the role played by the German public service union, Verdi.

On June 1, insolvency administrator Arndt Geiwitz announced that Schlecker's major creditors were not satisfied with the bids put forward by interested investors and proposed breaking up the company. Prior to this announcement, the profitable parts of the company had been sold off to the highest bidders and the proceeds centralised for the repayment of creditors.

The winding down of the group is the result of close cooperation between Verdi officials and the liquidator, creditors and owner of the company, Anton Schlecker. Verdi's main role has been to suppress resistance by workers and impose Geiwitz's demands on employees.

There are a number of indications that the union was informed of Anton Schlecker's bankruptcy plans as far back as 2009 and has been active in the preparations for such an outcome since that time. In 2011, Verdi leader Frank Bsirske publicly praised the company's management for their "efforts in dealing with employees". Soon thereafter the company began laying off employees and closing stores with Verdi's consent.

When the Schlecker Group filed for bankruptcy in January 2012, Verdi worked hand in hand with the receivership. The union argued that mass layoffs and pay cuts were necessary to keep the company going and defend the remaining jobs.

As a first step, Verdi and its works council representatives organised the dismissal of 11,200 workers. To relieve creditors and potential investors from the obligation of paying severance pay, Verdi sought to set up a transfer company for the sacked workers. According to German industrial law, workers agreeing to participate in such a transfer company lose any right to claim compensation or reinstatement.

Following the collapse of the proposal for a transfer company, due to opposition from the Free Democratic Party (FDP), the union continued to pressure workers not to submit compensation or reinstatement claims. Such actions, the union argued, would serve to deter alternative investors. Verdi leader Bsirske went so far last Friday as to argue that the 4,000 ex-Schlecker workers who had appealed against their redundancies were really to blame for the company's demise.

Verdi never lifted a finger to organise any sort of struggle. At the same time, the union kept staff in the dark about what was going on. Even though a Verdi representative sits on the creditors committee and was informed of all the latest developments, Schlecker workers had to rely on the media to find out what was happening.

In the weeks before the bankruptcy, the union offered investors all sorts of incentives at the expense of the workforce. Without any assurance from the liquidator that jobs would be protected, Verdi offered to withdraw a pending wage increase of two percent and holiday pay. The union also offered wage cuts of more than ten percent and a permanent waiver of holiday and Christmas bonuses. There is no question that these major concessions would only have been the tip of the iceberg.

In this manner, Verdi set out to impose the demands of the liquidator on the workforce: the employees either had to accept rock-bottom wages and lousy working conditions, or the company would collapse and every job would be lost.

The result of Verdi's tactics is the destruction of the group and the loss of 25,000 jobs. Workers are now expected to organise the sale of the stock in their shops, not even knowing whether they will be paid for their work or receive a cent in the way of severance payment.

At the same time, the destruction of jobs at Schlecker will be used to lower wages and worsen working conditions at all other drugstores and retailers. There are already reports that sacked Schlecker employees have been hired by a rival drugstore chain, Rossmann, at lower pay.

From the very start, the winding down of Schlecker was related to broader attacks on the social rights of workers. Bankruptcy proceedings have increasingly become a favoured weapon of the employers to either reduce wages and downgrade working conditions or organise mass layoffs. This has been the experience of German workers at the Karstadt department stores, the Manroland printing machine group and, most recently, the mail order company Neckermann.

The result has been the creation of a large low-wage sector in Germany, where already 23 percent of workers earn an average of less than seven euros ($US 8.82) an hour.

These wage cuts are part of a European campaign by the ruling elite to supply the big banks and corporations with money at the expense of workers and thereby make the rich even richer. In Greece, wages have been cut by up to two-thirds, workers' basic rights have been whittled away in Italy and Spain, and welfare provisions have been slashed throughout Europe.

In all of these countries the trade unions have played an essential role in enforcing these attacks against the workers. In every case they have subordinated themselves to the logic of markets and justified the cuts as necessary.

Under these conditions the defence of jobs and wages demands a new political perspective. Workers' rights can be defended only on the basis of the struggle for a socialist society in which the needs of broad layers of the population are placed above the profit interests of the banks and big corporations.

This is the only way Schlecker workers can combat the blackmail of the liquidators and the unions and demand the right to a decent job which is not dependent on the ups and downs of the financial markets.

Workers must organise independently of Verdi in action committees to prepare industrial action as part of a struggle coordinated with Schlecker employees and retail workers in other countries who are being subjected to similar attacks. In cooperation with the Socialist Equality Party of Germany, the WSWS has set up an Internet discussion on such a perspective.

On this basis, it is necessary to demand the opening of the company's and Schlecker family's books, in addition to the publication of the content of all the talks held by the creditors committee, including details of the bids by investors. Instead of enriching the creditors, the assets of the company must be used to ensure that all workers are paid their full salaries plus a severance pay of at least €25,000.

The struggle can be successful only if it is consciously conducted against the capitalist profit system. Alongside action committees, workers are encouraged to build a new international socialist party which unites workers across borders and opposes all attacks on social rights. This party is the International Committee of the Fourth International and the Socialist Equality Party in Germany.