Germany: IhrPlatz and SchleckerXL drugstores face closure

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26 June 2012

In January, 12,000 workers from drugstore chain Schlecker were laid off, with another 14,800 losing their jobs in June. The liquidators have now disclosed that the potential investor for the IhrPlatz and Schlecker XL subsidiary chains has bailed out, threatening a further 6,100 with unemployment.

At the same time, the drug store chain dm has announced it may take over 60 to 80 of the bankrupt Schlecker stores. While dm is cherry-picking the best parts from the insolvency, and the liquidators are cloaking themselves in silence, the workforce are being kept in ignorance about their future. There are increasing signs that the drawn-out insolvency proceedings are completely rigged.

At the beginning of the month, trade expert and economist Thomas Roeb of Bonn-Rhein-Sieg University said, “I do not think there will there be a positive outcome”. He said the concern was that IhrPlatz and Schlecker XL would be closed, like their insolvent parent company, with the loss of approximately 6,100 employees. “They could be closed in one or two months”, said Roeb. Other experts, such as Professor Jörg Funder from the University of Worms, were equally pessimistic.

There is also more concrete evidence that continued operation of Schlecker XL and IhrPlatz was never planned. In the first week of June, nine Schlecker XL and IhrPlatz stores were taken over by dm. Contracts that would normally be negotiated over weeks and months were signed within two days. This means that the most attractive parts of both chains were snapped up in a well-prepared, lightning-speed action, considerably reducing the likelihood that another investor would come forward to acquire the rest.

The dm chain is operated by retail group Markant, to which the Schlecker empire also belongs. Together with the insurers Euler Hermes and the Federal Employment Agency, Markant is one of the three main creditors in the bankruptcy proceedings against Schlecker. It is unlikely that Markant would have concealed its intentions about dm on the creditors’ committee. As well as the three creditors, the committee also includes a representative of the works council and the union Verdi.

There are strong indications that the Schlecker bankruptcy proceedings were deliberately drawn out. The reasons are obvious: Carrying out the dismissals in instalments not only keeps public outrage within limits, but also fragments resistance. Behind it stands the calculation that workers who are still hoping for continued employment will keep quiet, and not participate in the protest actions of colleagues who have already been laid off.

The current developments once again highlighted the role of Verdi in the dissolution of the company. Since the announcement of the official bankruptcy proceedings, Verdi has refused to conduct any serious struggle to defend jobs. The union has limited itself to supporting the proposal of the Federal Labour Minister Ursula von der Leyen (Christian Democratic Union) for the retraining of Schlecker employees. Von der Leyen proposed hiring dismissed Schlecker workers, who are mainly women, to work in child day-care centres and nursing homes.

Verdi has also repeatedly called for the establishment of a receivership, which was rejected by the government long ago, and seeks to channel the growing anger of those laid off by concentrating on the corrupt machinations of Anton Schlecker and his family.

All this is nothing but a cheap diversion, meant to hide the fact that Verdi functionaries were involved from the outset in the plans for the Schlecker bankruptcy. Instead of informing the workers, organizing their opposition to the management and leading the fight against the threat of bankruptcy as widely and effectively as possible, the Verdi bureaucrats have played off the workers against one another (as in the legal action over redundancy payments). They have collaborated with the administrators and the management behind closed doors, keeping their backs free in the preparation of the largest ever wave of mass dismissals in the German retail sector.

Even now, Verdi is holding strictly to this course, leaving the 6,100 staff of SchleckerXL and IhrPlatz just as uninformed and disorganized as the Schlecker employees before them. The Schlecker family, creditors and the administrators could hardly wish for a better partner in pushing through the insolvency proceedings.