

Germany: Corrupt practices of IG Metall union, paid for by Thyssen-Krupp

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18 January 2013

At the end of November, steel and engineering corporation Thyssen-Krupp announced that it had bought the services of the head of the IG Metall union in the state of North Rhine Westfalia. Union functionary Oliver Burkhard will become the corporation's personnel director, taking over responsibility for imposing massive cuts in jobs and wages on the company's global workforce of 150,000. For his services, he will receive an annual salary of €2 million.

Just a few days ago new details emerged regarding the corrupt relationship between IG Metall and Thyssen-Krupp management. The so-called employees' representatives on the company supervisory board were sent on luxury holidays and attended glamorous events in Asia and America, all paid for by the company. This was reported by the business daily *Handelsblatt* last week.

An all-expenses paid trip to Brazil included an excursion to the famous Sugarloaf Mountain following a visit to the company's new steelworks in the metropolis of Rio de Janeiro. On a trip to China, the company paid for the delegation to stroll through the gambler's paradise of Macau. One of the chief beneficiaries of the company's generosity was IG Metall's chief treasurer Bertin Eichler, who is also the deputy chair of the Thyssen-Krupp supervisory board.

He has enjoyed five tours at company expense to Cuba, Thailand, the US and China (twice). Eight years ago, he was present at the Formula 1 event in Shanghai, where Thyssen-Krupp had hired a VIP lounge at the track side exclusively for its guests.

"For us, he was the union man with a penchant for luxury", *Handelsblatt* quoted a senior company member. He had no qualms travelling first class, at an average cost for a long-distance flight of more than

€10,000.

The IG Metall executive board member justified his participation in these luxury journeys with unconcealed arrogance. He admitted to *Handelsblatt* that it was usual practice at Thyssen-Krupp for foreign trips by members of the supervisory board to be booked first class. In today's light, he added, it might be "sensible to check this practice".

It is no secret that the union representatives on the works council and supervisory board at Thyssen-Krupp worked hand in hand with the company leadership as co-managers. From time to time, the methods of "you scratch my back and I'll scratch yours" have hit the headlines.

One such case was the scandal that blew up at Volkswagen in the summer of 2005. The personnel director of the largest German auto manufacturer, Peter Hartz, who also lent his name to the Hartz laws introducing massive welfare cuts, had access to millions from the company for "pleasure" trips and other gifts for the works council. Works council chair Klaus Volkert alone received almost €2 million in special payments in addition to his generous salary.

Bertin Eichler's luxury trips once again confirm that the corruption of trade union functionaries is directly linked to massive attacks on the workforce. As deputy chair, Eichler sat together with chair Gerhard Cromme in five of six supervisory board subcommittees, and was involved in all decisions early on, including those concerning work closures, sell-offs and job cuts. But such information is kept strictly secret from the workforce. The union is complicit in a veritable conspiracy against the workers.

Handelsblatt evaluated the supervisory board minutes of the last seven years and reports that vice supervisory board chair Eichler stood out for his "restraint".

“There was not much evidence on the supervisory board of the ‘social counter-weight’, which the IG Metall likes to ascribe to its own role,” *Handelsblatt* commented. “Instead, he was ‘free and easy’ with his praise—for the company leadership.”

Eichler now “staunchly rejects” the implication that his restraint on the supervisory board had been bought through the luxury trips.

On Monday of this week, IG Metall leader Berthold Huber demonstratively backed Eichler and expressed his confidence in the union’s chief treasurer. It was absurd, Huber told *Handelsblatt* on Monday, to measure supervisory board members by two different standards. No one is bothered that “shareholder representatives fly first class or maybe buy themselves a private holiday house from their bonuses. Please! Apply the same standards to everyone.”

Huber could hardly express more clearly on which side IG Metall stands. “Moreover”, stressed Huber, the German chancellor sees “an explicit model of success and a competitive advantage for Germany in our policy of co-determination”.

Huber and Eichler head a wealthy aristocracy of labour, which is intimately linked to circles of company chiefs and the government, sharing their hostility to the working class.

According to their own figures, IG Metall leader Huber enjoys an annual salary of €240,000 (not including the lavish sums he receives for sitting on a number of company supervisory boards). Eichler certainly enjoys a similar level of remuneration. After all, he administers the assets of the union apparatus, which according to Huber are worth “well over €2 billion”.

Much of the union’s income comes from its representation on various supervisory boards. Hundreds of union functionaries sit on such boards and cash in bonuses of more than €100,000 in some cases. Ninety percent of these earnings are then passed on to the German Union Federation’s Hans-Böckler Foundation. In this way, the corporations finance the union, and in return, the union functionaries act in the interests of the corporations.

In the financial year 2011/2012, Thyssen-Krupp alone gave its IG Metall representatives on the supervisory board €638,646, of which Eichler received €159,500. Eichler also has a seat on the supervisory board of

automaker BMW, which paid almost €2 million to union representatives in 2010.

Behind the unparalleled arrogance with which Eichler and Huber justify luxury trips and other forms of corruption is an expanding layer of stinking-rich union bureaucrats, who like the heads of the banks and corporations, are paid lavish salaries and enjoy a privileged status. As the crisis intensifies and resistance to sackings and social devastation grows in the factories and offices, it becomes increasingly clear that the unions’ role on behalf of the ruling class is to stifle and suppress all opposition from below.



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