

# Germany: Kaiser's Tengelmann supermarket chain threatened with closure

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A high-level meeting of the Verdi trade union with the heads of the Kaiser's Tengelmann, Edeka, Rewe, Norma and Markant supermarket chains was held on Thursday.

According to Verdi, all parties agreed to implement the special permission granted by federal Economics Minister Sigmar Gabriel to the takeover of the chain by Edeka. First, however, only a deadline extension has been agreed. By October 17, all parties wish to seek a "mutually acceptable solution." In other words, the secret negotiations between the union and the company representatives will continue. Nondisclosure was agreed up to October 18, according to Verdi.

In addition to Verdi representatives and Tengelmann owner Karl-Erivan Haub, the heads of the Rewe, Norma and Markant supermarkets also participated. The three had lodged an appeal at the Düsseldorf Superior Regional Court against the authorization for the acquisition of Kaiser's Tengelmann by Edeka, which had been granted by Gabriel (SPD, Social Democratic Party). The judges had then provisionally stayed the appeal. In order to clear the way for granting ministerial approval, all parties had to withdraw their appeal.

The billionaire Haub then set a deadline of October 7 for the sale of his supermarket chain to Edeka. Otherwise, the breakup of the retail stores would begin, he threatened, following a supervisory board meeting. Most of the 430 stores for which no buyer will be found would be closed, in all probability, and the workers dismissed. For good reason, therefore, the company's nearly 16,000 workers rightly fear a "second Schlecker." In one fell swoop in 2012, the insolvency of the Schlecker store chain had cost 25,000 employees (mainly women) their jobs.

Staff meetings were then held on Wednesday

afternoon and Thursday morning in North Rhine-Westphalia (NRW) and Berlin. About 2,000 Kaiser's Tengelmann employees gathered in Viersen. The logistics centre there supplies the company's 115 branches in NRW. A breakup of the company threatens the jobs of 200 at the distribution centre as well as 400 staff working in administration in Mülheim an der Ruhr and at the meat plants.

Most workers have been worried about their future for almost two years. They expressed their anger and concerns on placards. "We don't want to be on welfare," read one sign. "We need our jobs!" "It's about the lives of families!" and "What is more important: the market or people?" read others.

Tagesschau.de spoke to Andreas Kersting, a 55-year-old with 38 years working at Kaiser's Tengelmann, including in sales and on the checkout. "My biggest concern," he said, "is can I find a job at my age? The competition only hires young people who are cheaper. I've been working since I was 16. If I become unemployed now, I wouldn't know what to do at the employment office."

Among the company's staff in Berlin, fear for their jobs is also very great. On Thursday morning, 2,500 attended a staff meeting at the Estrel hotel in Berlin Neukölln. Here again, the mood swung between anxiety and hope. "Whether we are taken over by Edeka or broken up—I hope that there is a social solution," one employee told *Tagesspiegel*.

The Berlin works council chairman Volker Bean had also invited Mayor Michael Müller (SPD), state minister for employment Dilek Kolat (SPD) and state minister for economics Cornelia Yzer (CDU, Christian Democratic Union). But none of them came. A warehouse worker with 30 years' seniority at Kaiser's was "appalled," reporting that some of his colleagues

were at their wit's end. If Kaiser's was broken up, warehouse workers would be laid off first, he feared, like his colleagues in Viersen. "If the ministerial authorization does not apply, I'm unemployed."

The main reason for the desperation of many employees is that Verdi refuses to conduct a serious struggle to defend jobs. Like the situation four years ago at Schlecker, the union is trying to keep the workers quiet until the last moment, limiting its actions to sending begging letters to the corporate bosses. At the staff meeting in Berlin, a resolution was passed in which the heads of Rewe, Norma and Markant are asked to withdraw their appeal against the acquisition of Kaiser's Tengelmann by Edeka.

But even if Kaiser's Tengelmann is taken over by Edeka, it would still entail massive job losses. In Viersen, Kaiser's Tengelmann CEO Raimund Luig declared that 2016 would see the company "making enormous losses, sales have continued to decline and the competition from the discounters is growing."

The roles of all those in this collusion are clear. All of the wealthy owners are defending their profits and rely on Verdi for this. Corporate boss Haub is seeking to free himself of his losses through the sale of his supermarket chain. If Kaiser's Tengelmann is broken up, he will pocket millions for the profitable stores, especially the two in Berlin and Munich, regarded as "prime sites." Should Edeka come into play, together with Verdi, it would be tasked with closure of the unprofitable stores. Additionally, Haub hopes that the profitable branches can then be incorporated into the Edeka subsidiary Netto, where Haub is also involved.

No matter how the deal proceeds, it is directed against the workers. Behind the scenes, Verdi has clearly already agreed conditions for the coming job cuts. For example, at the meeting in Viersen, the works council chair announced that severance payments and a further six-months' pay had already been agreed.

SPD leader Sigmar Gabriel is also not concerned about the interests of the cashiers and other workers at Kaiser's Tengelmann. He wants to strengthen the influence of the trade union. If the ministerial approval is upheld, all decisions on Kaiser's Tengelmann branches and their employees will be subject to the agreement of Verdi and NGG works council representative for the next five years. Gabriel is planning to strengthen the unions because he sees them

as important partners of a possible SPD-Left Party-Green Party government, which will continue the policy of welfare cuts and military build-up begun 15 years ago with the "red-green" government of Chancellor Gerhard Schröder.

For its part, Verdi stands behind the owners—no matter who they ultimately are. After the first secret negotiations between Verdi, Haub, Edeka CEO Marius Morsa and Rewe CEO Alain Caparros on September 22, we wrote: "These clandestine negotiations are part of the union's efforts to find the best way to push through job losses and keep those affected quiet for as long as possible. Verdi has taken on the task of enforcing the winding up of Kaiser's Tengelmann against the workforce."

For years, working conditions in the entire retail sector have deteriorated. The growing competition is mercilessly passed on to the employees, and always with Verdi's signature of approval.



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