

Buyer reportedly found for German supermarket chain

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The owner of German supermarket chain Kaiser's Tengelmann, Karl-Erivan Haup, reportedly reached an agreement on Monday with the Edeka and Reve firms to divide up the grocery chain. It remains unclear whether the supermarket chain will be dismantled.

Economics Minister Sigmar Gabriel (Social Democrats) and the chairman of the services trade union Verdi, Frank Bsirske (Greens), praised the agreement in the highest tones at a joint press conference.

"The effort and the work paid off," said Gabriel, before leaving for a trip to China. The workforce could now enjoy a happy Christmas season because they no longer had to fear the loss of their jobs. "A very good day for the employees of Kaiser's Tengelmann," added Bsirske. The agreement, as part of the arbitration initiated a week earlier, can be completed with the approval of the economy minister.

Gabriel overruled the federal cartel agency's refusal to allow Edeka to take over Kaiser's Tengelmann in a ministerial order. The precondition was that Edeka commit in a contract to retain the jobs of 15,000 Kaiser's Tengelmann employees for five years. But the district court in Düsseldorf subsequently suspended the ministerial order after competitors Norma, Markant and Reve filed complaints against it.

Verdi declared in a statement on its web site that the original terms of the ministerial order had been secured in the arbitration. "Along with the retail outlets, the butcher business, administration and store locations are included in the negotiated terms, which along with employment guarantees also include collective agreement guarantees and the retention of co-determination structures."

Verdi has been pulling the strings in the almost two-year-long haggling. The arbitration concluded on

October 31, led by former Chancellor Gerhard Schröder and finance academic Bert Rürup (both SPD), was organised by Bsirske. Verdi and the SPD want to retain control over the dismantling or carve-up of Kaiser's Tengelmann by encouraging ever new hopes in the viability of its future.

When Gabriel commented that he did "not consider there to be any stumbling block to the conclusion of the arbitration agreement," this was a lie. In reality, the consequences of the agreement remain entirely unclear. It would not be the first time that an alleged "breakthrough" or "success" hailed by Verdi and Gabriel vanishes into thin air.

Numerous questions remain unanswered. Although the details of the compromise between Edeka and Reve were accepted without dissent, even the works councillors have reportedly not been informed of the key points. But according to information from DPA obtained from those involved in the talks, some of Kaiser's Tengelmann's retail outlets in Berlin/Brandenburg will be sold to Reve, while the supermarkets in upper Bavaria and Munich will go to Edeka. But there has reportedly been no discussion yet about specific outlets.

It remains entirely unclear who will take over the supermarkets in North Rhine-Westphalia. This is to be discussed after the conclusion of talks on the Berlin outlets, it was reported.

Almost 3,500 workers are employed in 100 supermarkets in NRW, out of a total of 400 Kaiser's Tengelmann outlets nationwide. The administrative centre (400 workers) is also located there, a logistics centre (250 workers) and one of the butcheries owned by Birkenhof GmbH (90 workers). The food and restaurant union (NGG) agreed to the closure of the butchery in Viersen several months ago. Haup began

negotiating the sale of the NRW outlets immediately after the failure of the last round of crisis talks in mid-October.

The procedure for dividing up the markets is unclear. By November 11 at the latest, a final agreement is to be reached on all of these issues. Only when an agreement is achieved, according to negotiators, will Reve withdraw its complaint against the ministerial order and thereby enable Edeka to purchase the chain. The two supermarket chains Norma and Markant have already done this. This implies that Edeka will initially take over all of Kaiser's Tengelmann's outlets before passing those in Berlin and the surrounding area on to Reve.

The purchase price as well as the "financial basis for the compromise" have also yet to be agreed. These will be organised by an independent economic assessor, Gabriel said, and could be concluded by this Friday. According to the Economy Minister, this is not part of the arbitration process.

After the experience of the past two years, these open questions are not merely "stumbling blocks," but threaten to block the entire sale. Therefore, it still remains possible that the Kaiser's Tengelmann supermarket chain will be dismantled after all.

But even if all participants agree on a solution, the federal cartel agency is expected to have to review it once again. This was announced by the chair of the monopoly agency, Achim Wambach, in the *Rheinische Post*. "If the leading companies divide up a substantial part of the supermarket chain among themselves, it will be an arrangement that could restrict competition at the expense of the consumer," he said.

If contrary to all expectations, everything works out as Gabriel and Bsirske have planned and Kaiser's Tengelmann employees receive a five-year job guarantee, the question remains as to whether this guarantee applies to the overall number of employees or for each individual worker. If the latter is the case, thousands of jobs could still be cut over five years by means of "natural fluctuation."

In addition, employees at Edeka and Reve do not have such a guarantee. Whether they will gradually be forced out by the Kaiser's Tengelmann employees, or whether job cuts will be achieved by closing Reve and Edeka outlets, are questions which remain unanswered. One thing has been clear from the outset: the haggling

to take over Kaiser's Tengelmann is aimed at a "market correction" in the ruthlessly competitive retail industry at the expense of the workers.

This once again proves that Gabriel, Bsirske and the NGG are not concerned about working conditions and the workers. Verdi and the NGG have in fact assumed the role of maintaining "social peace" during this attack on workers. By announcing ever new possibilities for a "negotiated solution," they hold in check the anger of the workforce so as to suppress any sign of open resistance.

The support of Verdi and the NGG for the takeover of Kaiser's Tengelmann by Edeka is also aimed at assisting them to get a foot in the door at Edeka. At the Edeka concern, an association of independent supermarkets, the trade union is hardly represented.

In addition, the support for Gabriel from Verdi for Edeka's takeover plans is bound up with preparations for a red-red-green federal government. The SPD leader views the trade union as an important partner in the continuation of the policies of social cuts and military rearmament begun 15 years ago under the Schröder government.



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