

[Back to online version](#)

GuardianUnlimited: Print version

Series: David Gow on Europe

[Previous](#) | [Index](#)**On Europe**

Euro fat cats under attack

**David Gow**

Guardian Unlimited, Wednesday December 5 2007



"Why should someone be showered with money when he has failed all the way down the line," Angela Merkel, German chancellor, asked her Christian Democratic party (CDU) congress in Hanover this week in a sharp attack on the triple-digit-million rewards for failure handed out to Wall Street bankers.

But her sights were really trained on two men: Wendelin Wiedeking, Porsche chief executive, and her predecessor, Gerhard Schröder.

Wiedeking has caused uproar in egalitarian Germany by disclosing that his salary this year will top €50m (£36m) and could be €60-70m - because of the huge leap in profits brought by the 31% stake the luxury sports car-maker has amassed in Volkswagen.

Schröder, of course, is a highly-paid executive based in Switzerland for Gazprom, the Russian state monopoly partnering several big German energy companies in building pipelines such as NordStream.

The Porsche boss's remuneration package dwarfs that of Josef Ackermann, the Swiss-born chief executive of Deutsche Bank, who took home a "paltry" €14m last year, making him top of the league, and is up to three times higher than suspected.

Even Wiedeking himself, who is offering enhanced bonuses for Porsche's 10,000 staff, has admitted that "the country won't wear it".

State president Horst Köhler, a CDU politician, has weighed into the debate, urging a "culture of moderation," as his party tacks to the centre-left in advance of key regional elections in early 2008.

But business leaders such as Ludwig Braun, head of the German chambers of commerce body DIHK, has bluntly told the politicians to keep their noses out and leave remuneration decisions to company supervisory boards - a notoriously untransparent group and self-perpetuating oligarchical clique of business executives and complaisant, well-heeled union leaders.

German political leaders have proven surprisingly reluctant to demand greater disclosure of boardroom pay levels - in notable contrast to Britain where remuneration reports are now almost overlong on detail and, yet, the earnings gap with employees is far higher than in Germany.

The GMB union claimed in a new survey this week that top-earners took home up to 50 times more than those at the bottom in Britain. Perhaps Merkel is finally preparing to make remuneration committees more accountable to shareholders.

'Misinformation and scaremongering'

Porsche, meanwhile, suffered the ignominy or perhaps the triumph of being named, together with two other German car groups, BMW and Daimler (Mercedes owner), as winners of the "worst EU lobbying awards" this week. The awards, based on a public poll, are handed out annually by Corporate Europe Observatory, Friends of the Earth, LobbyControl and SpinWatch.

The trio of auto manufacturers won more than 30% of the vote for their campaign to "water down and delay," the organisers say, the European Commission's plans to impose binding targets for CO2 emissions (120 grams) from all new cars by 2012. They are said to have launched a campaign "full of misinformation and scaremongering" and "manipulated decision-makers with grossly exaggerated threats of factory closures and job losses".

But these charges, too, seem pretty exaggerated. German car-makers, it's true, are both worried and incensed by the commission proposals as they tend to make high-performance models which emit CO2 - compared with the smaller ones produced by their French and Italian rivals. They have said that, unamended, the EC plans would threaten large parts of their fleet - normal lobbying tactics when such controversial legislation is being discussed before being enacted at least several months down the road.

BMW, with its efficient dynamics slogan, claims that 40% of its fleet will emit less than 140g of CO2 by 2012 but that it cannot meet the EC target if it is applied across the board on average. Daimler makes similar arguments while even Porsche admits it is teaming up with VW to make leaner cars. All three are, perhaps belatedly, involved in developing hybrid engines and fuel-cells as customer preferences change and legislation looms.

These developments, presumably, are welcome to green campaigners but they have a growing tendency to belittle every alternative fuel and/or technology.

In Sweden, where E85 ethanol - derided by the campaigners - carries a price advantage at the pumps because of lower taxes, motorists are being encouraged with incentives to switch to more fuel-efficient cars which are less pollutant. And the Swedes, a very moralistic people, are doing so in

increasing numbers.

They're even thinking of dropping the 1980 pledge to phase out nuclear power - a red rag to the anti-lobbyist lobbyists who, in the same poll, have awarded their "worst greenwash" prize to the German atomic forum for "taking advantage of the public's concern about climate change to promote nuclear energy" - with pictures of power plants in idyllic rural settings.

(It came in ahead of BAE Systems, accused of promoting deadly weapons as eco-friendly (sic)!!)

Sounds like a pretty normal advertising campaign to me.

Nuclear, no thanks

France is the EU's most pro-nuclear country, getting around 80% of its power from plants scattered around the country - including one slap in the middle of the Chinon vineyards on the Loire.

These are mainly owned by EDF which this week began building the new-generation EPR (European pressurised water reactor) in Flamanville, Normandy, and would love to do the same in Britain.

Sarko tried at the same time to cash in on EDF's popularity with investors - although predominantly state-owned it is listed and has even overtaken oil group Total momentarily as France's most valuable company - and net €5bn from selling off 3% of the equity. This was to be invested in the country's under-performing university system which he has also opened to private sponsors.

Sadly, the investors were not so *enthousiaste* and bought 45m shares at €3.7bn, according to Christine Lagarde, the hyper-intelligent finance minister with a strange lack of political nous. The sale, reducing the state's holding to 84.8%, took place in pretty fraught market conditions and Lagarde is still holding out the prospects of further sales "when market conditions are right".

Like, not next year?

[License/buy our content](#) | [Privacy policy](#) | [Terms & conditions](#) | [Advertising guide](#) | [Accessibility](#) | [A-Z index](#) | [About Guardian Unlimited](#) | [Join our dating site today](#)

Guardian Unlimited © Guardian News and Media Limited 2007