

ThyssenKrupp to cut 3,800 jobs in the steel sector

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Last Friday, the ThyssenKrupp board announced it was cutting 2,000 of its 27,600 current jobs in the company's steel sector in Europe. A further 1,800 jobs will be lost through the sale of assets such as Electrical Steel. This puts one in seven jobs at ThyssenKrupp Steel Europe at risk.

The job cuts will take place by 2014 at the latest and will save €500 million in costs. They are part of the €2 billion restructuring programme announced by CEO Heinrich Hiesinger late last year (see "Massive cuts at German steelmaker ThyssenKrupp").

The job cuts will affect the steelworks in Duisburg, ThyssenKrupp's largest steel plant, which currently employs about 12,000, where 1,000 jobs are to go. The plan also includes the closure of a coil coating line, and cutting 450 administrative jobs at ThyssenKrupp Steel.

In Dortmund, an electrolytic coating line will be closed. Also slated for closure are a plant in Neuwied, near Koblenz with 375 jobs, and a hot-dip galvanising line at ThyssenKrupp Galmed in Spain.

The planned sale of Electrical Steel threatens the jobs of 1,800 blue- and white-collar workers at plants in France, Italy, India, and in Bochum and Gelsenkirchen in Germany. In Gelsenkirchen alone, 600 jobs are at immediate risk, and if no buyer is found all these plants are threatened with closure. Even if they are sold, the spectre still looms of job cuts and worsening working conditions for those who remain.

Last year, ThyssenKrupp sold the stainless steel plant with its 11,500 jobs to its Finnish competitor Outokumpu, which was associated with the loss of 2,000 jobs.

A day before the announcement of the current restructuring programme at ThyssenKrupp Steel, it became known that the TSTG rail manufacturing plant in Duisburg will close permanently by the end of this

year with the loss of about 400 jobs. This plant had formerly been part of the Thyssen Steel Group and was sold to the Austrian competitor Voest-Alpine. The sale had been justified by the alleged improved economic perspective.

World steel demand has declined sharply in recent months due to the global economic crisis. Demand in southern Europe, heavily affected by the EU's austerity measures, has completely collapsed.

Other steel producers such as Arcelor Mittal are also affected by this trend and are reacting with factory closures and mass sackings. Just last week, steel workers from Florange (France), Schifflange (Luxembourg), and Liège (Belgium) demonstrated in front of the European Parliament in Strasbourg in defence of their jobs.

The restructuring programme just started at ThyssenKrupp carries the cynical name "Best in Class – reloaded" (BIC). It is supposed to contribute to the steel sector making a greater contribution to group profits through the destruction of thousands of jobs and the increased exploitation of the remaining employees in the steel division.

The losses announced by ThyssenKrupp CEO Heinrich Hiesinger last December that arose during the construction of steel plants in Brazil and North America are now being used as a justification to destroy thousands more jobs. Many workers fear that the latest plans are just the beginning of even greater attacks on jobs and social achievements.

The announcement of the destruction of 3,800 jobs at ThyssenKrupp Steel did not cause any reaction on the stock markets. The value of ThyssenKrupp's stock has remained almost the same. News agency Reuters commented that the job cuts had been expected by the shareholders.

ThyssenKrupp can rely on the full support of the union IG Metall in its jobs massacre. Chief treasurer Bertin Eichler, responsible for managing IG Metall's annual membership fees of €460 million and assets estimated at €2 billion, is deputy chair of the ThyssenKrupp Supervisory Board. He had recently been in the news because of his luxury holidays taken at the firm's expense.

A year ago, Eichler approved the sale of the stainless steel division to Outokumpu, although he knew the intention of the Finnish company to close the plants in Krefeld and Bochum. Four days before the crucial board meeting, he had cynically spoken against the sale at a demonstration, saying IG Metall and the works council would defend jobs and plants, and loudly proclaiming, "No plant and no worker's job in Germany should be destroyed."

At the board meeting, he then assured the owners that the union was behind the sale despite "disagreements". The minutes from the meeting, quoted in the online edition of the *Rheinische Post* on 15 January, state, "Mr. Bertin Eichler emphasised that the transaction of two steel mills is an explosive topic.... The employee representatives respect the dissenting opinion of some workers. It does not mean that the employees don't stand behind the agreements."

In preparation for the new measures, the steel company has recruited leading union officials onto the board. Thomas Schlenz, who was chair of the group works council at ThyssenKrupp for more than 10 years, last year began working as a personnel director at ThyssenKrupp Steel. Oliver Burkhard, until recently IG Metall leader in North Rhine-Westphalia, also joined ThyssenKrupp as a personnel director. The primary task of the two is now to ensure the job cuts agreed on by the board (and themselves) are implemented as smoothly as possible, for which they are rewarded handsomely with seven-figure annual salaries.

Under these circumstances, it is no wonder that IG Metall, works council members and the Social Democratic Party-Green Party state government have accepted the proposed job cuts without protest. After the announcement, they declared in unison that this had to be done in a "socially acceptable" manner. IG Metall and the works council added that there should be no "compulsory redundancies"; but not a word was said about preserving, let alone defending, jobs!

In this way, tens of thousands of jobs have been destroyed at ThyssenKrupp, Opel and many other companies in the past few years. To avoid "compulsory redundancies", workers are put under pressure individually by their superiors and works council members to accept voluntary redundancies, transfers or early retirement with a corresponding loss in pay or pension.

The ThyssenKrupp Steel works council chair, Günter Back, accepted the job cuts without protest and displayed his relief that no blast furnaces would be shut down immediately. "Hands off the blast furnaces—that was important for us and we succeeded," he told the Ruhr newspaper WAZ.

The works council members and IG Metall are also pleased that steel capacity will be maintained despite the job cuts, even though this means a greater workload for the remaining employees.

While the defence of jobs is not an issue for these highly paid works council members and union officials, they collaborate as co-managers with the group executive board in pushing through the restructuring programme and the associated attacks on the workforce.

Moreover, IG Metall and the works council do everything in their power to divide workers in different locations and in different countries from one another and play them off against one another. For example, as well as saying there should be no "compulsory redundancies", IG Metall also calls for "investment in a sustainable steel strategy in Germany".



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