

Germany: Union plays key role in job losses at ThyssenKrupp

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The ThyssenKrupp Group is planning to cut wages and up to 3,300 jobs, half of them in Germany.

These plans are part of a billion-euro cuts programme that ThyssenKrupp's board had announced at the end of 2012. Six thousand job cuts are planned worldwide—over 3,000 in the administration and approximately 2,000 in the company's European steel branch. The remaining white- and blue-collar workers face massive restructuring, speed-ups and wage cuts.

Some 1,500 jobs face elimination worldwide in the company's service branch, such as in information and data processing, accounting, human resources and property management; 840 jobs will be transferred from Germany to Poland, where wages are significantly lower.

In addition, 400 of 840 jobs at the company headquarters in Essen will be moved to Berlin, where they would be paid at the lower east German rate for the motor vehicle industry. According to the group works council leader Wilhelm Segerath, the wages will be cut by as much as 45 percent. The remaining employees in Essen will have to accept wage cuts of about 20 percent, according to the company's plans.

The ThyssenKrupp works council has broken off talks with the management about the staff reductions. Segerath says IG Metall will now officially join in the negotiations. But the union has been sitting at the negotiating table all the time—in the person of the chief human resources officer. The director of labour relations, as the chief human resources officer is called in the mining and steel industries, is none other than former IG Metall district secretary Oliver Burkhard.

At the end of 2012, when ThyssenKrupp announced its billion-euro savings programme, IG Metall nominated Burkhard for the newly available post of director of labour relations to enforce the planned

attacks against the workers. ThyssenKrupp pays Burkhard around €170,000 a month for his services. Now he is sitting alongside his former IG Metall colleagues and the works council representatives under Segerath to work out the planned cuts in the ThyssenKrupp workforce.

This conspiracy is not limited to the ThyssenKrupp Group as a whole. In September last year, Segerath negotiated a drastic cuts plan with the chief human resources (HR) officer of ThyssenKrupp Steel Europe (TKS), which was approved by the Collective Bargaining Commission of IG Metall. His counterpart in the negotiations was his predecessor as chair of the Group Works Council, Thomas Schlenz. The latter had taken over the post of HR director of TKS last year, for which he receives more than a million euros a year from the company.

Segerath too will be “rewarded” with a similar post. He has already shown that he stands on the side of the shareholders. Schlenz and Segerath have agreed a reduction in the working week from 34 to 31 hours from October 2014 for a period of four years, which equates to a 10-percent pay cut for steel workers.

Another point in the agreement affects young apprentices. The number of apprenticeships on offer will be maintained, but “Taking on the apprentices after their training is over is not possible in light of the lack of demand and acute employment problems in the coming years”. This will apply to all apprentices who finish their training from summer 2013 to summer 2018. The young, well-trained workers will be placed in a transfer company for a year, which maintains close links with IG Metall.

On Tuesday, IG Metall called a protest rally in front of ThyssenKrupp headquarters in Essen, demanding “No cheap wages! For secure collective agreements

and secure jobs!” This is just closing the stable door after the horse has bolted!

In Germany, there is hardly another company where the trade union, works council and management work more closely together than ThyssenKrupp. Germany’s “social partnership” in the mining and steel industries has led to a veritable symbiosis of IG Metall and management. There is a well-rehearsed division of labour. Chief Executive Officer Heinrich Hiesinger and Chief Financial Officer Guido Kerkhoff lay down the figures; Burkhard, IG Metall and the works council then translate these into job losses and wage reductions.

All the various cuts plans bear the signature of IG Metall and the works council. Toothless protests like Tuesday’s are no more than an accompaniment to the enforcement of deeper cuts.

Kerkhoff knows this for certain. In view of the announced IG Metall protest, he stressed that costs would have to fall by €850 million this year and next. “This is now being systematically worked out,” he said.

When presenting the company’s financial report at a press conference in November last year, Kerkhoff emphasized that the Board’s “efficiency improvement goals” had been surpassed by 20 percent as part of ongoing cuts programmes, with savings of €600 million.

All financial targets have been “met or exceeded” for the first quarter of the new fiscal year too, he said. The profit from continuing operations had almost doubled to €247 million.

The defence of jobs, wages and working conditions requires a conscious break with IG Metall and its defence of capitalist exploitation. The IG Metall functionaries respond to the globalization of production and the intensification of the international crisis in exactly the same manner as management. They play off the workers against each other at every level: on a global scale, they use the competition from low-wage countries, within Germany they exploit the different wages and working conditions in the east and west; in the company they organize social dumping between different locations.

Based on this collaboration with IG Metall, ThyssenKrupp is utilising the global financial and economic crisis to abolish all workers’ achievements over the last hundred years. No one should have any illusions: the social devastation knows no boundaries.

Today, it is jobs and wages that are being destroyed, soon it will be previous gains such as company payments for health insurance, sick pay, pensions, etc. For shareholders, these are all unnecessary deductions from the company profits, and thus their dividends.

Nothing can be defended as long as IG Metall and its well-paid emissaries in the boardroom, such as Burkhard and Schlenz, keep the reins in their hands.

Workers must organize independently against the collaboration of management, the trade union and the works council. Action committees must be established that are directly responsible to the workers and fight for an international socialist programme. We call on all workers to contact the WSW and the Socialist Equality Party to take up this fight.



To contact the WSW and the
Socialist Equality Party visit:

[wsw.org/contact](https://www.wsw.org/contact)