

# Thyssen-Krupp Steel works council meeting prepares job cuts in Germany

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Around 250 works council officials from Thyssen Krupp's steel division met at a conference last Friday in Duisburg, Germany. Representatives of the board of directors also participated.

The directors and the supervisory board, which includes leading officials from IG Metall and the works council, are currently discussing a comprehensive restructuring of the steel business, including the complete shutdown of plants and elimination of thousands of jobs. The complete halting of steel production by the Thyssen Krupp firm is also being considered.

The 28,000 workers in the company's German plants, including 20,000 in North Rhein-Westphalia, hoped for information about the future of their plants and jobs. But the limited information released by the board, IG Metall and the works council only reinforced their worst fears.

For several months, Thyssen Krupp has been negotiating a merger with Indian steel company Tata. According to *Manager Magazin*, negotiations are focused on the Thyssen steel plant in the north of Duisburg where 13,000 workers are employed and Tata's Dutch facility in Eindhoven with 9,000 employees. The latter plant is located on the North Sea coast and produces crude steel, hot and cold rolled sheets of steel and strip products.

Fears are particularly strong in Thyssen Krupp's smaller plants that they could fall victim to the fusion of the two companies and be closed. This is the case for the plants in the south of Duisburg, Dortmund, Kreuztal, Andernach and Bochum.

The shuttering of the Hüttenwerke Krupp Mannesmann plant in Duisburg, which Thyssen operates jointly with the Salzgitter steel concern and French company Vallourec and employs more than 3,000 people, is allegedly being considered.

Thyssen Krupp Finance Director Guido Kerkhoff, who according to *Manager Magazin* is leading negotiations with Tata, indicated just a day prior to the Duisburg works council conference that there would be plant closures. At the presentation of third quarter figures, he refused to provide

details about the talks with Tata, responding to the question of whether he could rule out plant closures by merely saying, "We have to put up with a period of uncertainty now."

The chairman of the Thyssen Krupp board of directors, Heinrich Hiesinger, previously stated, "There will be restructuring with or without a partner."

This is not only the case in Germany, but worldwide. Wolfgang Eder, president of the World Steel Association and CEO of Austrian steel company Voestalpine, has repeatedly urged the elimination of "overcapacity." In Europe this amounts to between 30 and 40 million tons out of a total production of 166 million tons last year. The more than 85,000 jobs eliminated in the European Union since the 2008 crisis was nowhere near enough.

At Thyssen Krupp in Germany and Tata in Britain, tens of thousands more jobs are now to be done away with. In Taranto in southern Italy, the Ilva plant with 14,000 workers is awaiting a takeover. Eder believes that such takeovers must result in a "structural adjustment of capacity." The current wave of mergers was a step toward introducing these adjustments. The awareness of the need for cuts was present, according to Eder. One could not avoid these measures. The protests against these moves were seen by him as "part of the process."

Thyssen Krupp Steel boss Andreas Goss presented a graph to the works council meeting on Friday showing the workload of the different plants and indicating that the plants in Bochum, the south of Duisburg and the subsidiary Thyssen Krupp Rasselstein in Andernach (Eifel) are at risk.

If the heavy plate plant in the south of Duisburg closes, the future of the nearby Hüttenwerk Krupp Mannesmann facility would be under threat. Goss allegedly said, "If our steel business is to have a future, we cannot close our eyes to the fact that we have underutilized facilities and there is massive overcapacity in the market."

Günter Back, chair of the central works council for the steel division, told local media that Thyssen Krupp head Hiesinger called on Goss to present a plan for the steel business by May 2017. A "value gap" of between €800

million and €1.5 billion had been talked about, and personnel costs alone were €200 million too high.

If one assumes an average gross wage of €50,000 to €55,000 per worker, this would mean the cutting of between 3,500 and 4,000 jobs, as well as thousands more at suppliers and service providers for the plants. Goss would not explicitly confirm that he would stick to the promise of no compulsory redundancies until 2020.

This was the promise with which the works council justified its acceptance of a wage cut, which was achieved above all with the introduction of a 31-hour week. The works council was punished as a result by the 13,000 workers at the large Thyssen Krupp plant in northern Duisburg at the last works council elections.

But IG Metall and the works council are continuing as before. They function as an industrial police force for the capitalists in their attacks on the workers. Only a few months ago, they demonstrated together with the steel corporations to demand the imposition of trade war measures against China, which is increasingly making its steel available on the world market.

In this way, they play German workers against their European and Chinese colleagues in the name of “defending steel-producing regions in Germany,” while at the same time they collaborate with the corporations to make them “competitive” at the expense of wages and jobs. They sabotage any effective resistance to the internationally operating corporations and prepare the way for further wage, job and benefit cuts.

The rumors of plant shutdowns and job cuts making the rounds in the local press, like the works council’s complaints about the board of directors, serve to intimidate and confuse the workers. The IG Metall representative for Duisburg-Dinslaken, Dieter Lieske, demanded “clarity from management”; the works council chair of the Thyssen Krupp Kreuztal plant (Siegerland), Axel Ganseuer, accused Chief Financial Officer Kerkhoff of being “inhumane”; and Oliver Möscheid, works council chief at the Hohenlimburg plant, said, “Somewhere will be hit, but nobody knows where.”

This is all for show. IG Metall and works council representatives have been sitting for decades on the supervisory board of the parent company and its steel subsidiary. On the supervisory board presidiums and most important committees of these bodies, they discuss all strategic decisions with the company directors, who, due to the system of co-determination, are not infrequently former IG Metall or works council colleagues. For example, the human resources director of Thyssen Krupp Steel, Thomas Schlenz, was previously a long-term works council chair at the parent concern.

IG Metall and works council officials were well aware of

the company’s plans, but kept silent. Following the works council meeting on Friday, *DerWesten.de* reported that at a meeting with Thyssen Krupp CEO Hiesinger on June 2, it had already “become clear” to works council representatives “that the company boss certainly intended to close facilities or complete locations.” Despite this, they only informed workers about this meeting three weeks later, after *Manager Magazin* reported on the planned closures.

IG Metall and the works council are now warning of plant shutdowns. But such protests only serve to demoralize the workers. This is also the purpose of the “day of action” called by IG Metall for August 31 in front of Thyssen Krupp Steel’s headquarters in Duisburg at five minutes to 12 to “defend all locations.” This is an alibi demonstration which will do nothing to defend any of the plants.

On the same day, the supervisory board, chaired by Thyssen Krupp CEO Hiesinger and his deputy Detlef Wetzel (IG Metall), is to meet. The body also includes central works council chair Back, the works council chairs at the Dortmund (Sabine Birkenfeld), Duisburg-south (Werner von Häfen) and Bochum plants (Harald Pfennig). Also present will be Oliver Burkhard, former chair of IG Metall in North Rhein-Westphalia, who is now human resources director for Thyssen Krupp AG and represents the company on the supervisory board.

IG Metall and the works council will negotiate the conditions of the restructuring so as to present workers with a fait accompli. Behind the scenes, the horse-trading between works councils at each location to determine which plants will be closed is in full swing.

Only the unification of all steelworkers across facilities, countries and continents on a socialist basis, which places jobs and wages above the profit interests of the corporations, can successfully defend the living conditions of millions of steelworkers and their families.



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