

The merger of Germany's Thyssen with Tata Steel

Vote “No” on union-backed steel contract! Defend all jobs!

The Sozialistische Gleichheitspartei
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The IG Metall trade union is currently holding votes at all German ThyssenKrupp locations on a contract it negotiated with ThyssenKrupp shortly before Christmas. The contract will implement the merger of Germany's largest steel producer with India's Tata Steel. The goal of the merger is the implementation of cost-cutting rationalisation measures and mass layoffs in Germany and Britain.

The Sozialistische Gleichheitspartei (SGP) calls on the approximately 27,000 steelworkers at eight German locations to oppose the contract and vote it down. A “No” vote must be made the prelude to the formation of action committees in all steel plants and the organisation of joint methods of struggle with British steelworkers for a principled defence of all jobs.

IG Metall initially intended to keep the contract secret. The union planned to hold the vote without releasing any details on it. Only following protests from the workforce did the union provide the workers with access to the agreement.

Leading trade union officials, like deputy chair of ThyssenKrupp's supervisory board and IG Metall secretary Markus Grolms, spoke out, telling the *Rheinische Post* that job “security now prevails for a long time.” The central works council chair at Thyssen Krupp, Günther Back, grandiosely declared that jobs and locations would be guaranteed for nine years, and effectively for ten years due to redundancy protection.

A closer inspection of the contract makes clear that this is not the case. IG Metall has explicitly agreed to “personnel adjustments”—i.e., layoffs.

Paragraph 8 of the agreement states, “The parties agree that personnel adjustments required during the course of this contract will be carried out in a socially acceptable manner.” Only “compulsory redundancies” would not be issued until September 30, 2026.

Officially, there have been no compulsory redundancies at ThyssenKrupp for decades. Nonetheless, thousands of jobs have been eliminated.

The formulation “preventing compulsory redundancies” is the formula used by IG Metall and its works council members to organise layoffs in the steel industry and other major industries. This was already the case 30 years ago at the Krupp facility in Duisburg-Rheinhausen, at Opel's Bochum plant in 2014 and one year later at the neighbouring plant belonging to Finnish steelmaker Outokumpu (previously ThyssenKrupp).

The elimination of 4,000 jobs by ThyssenKrupp in the course of the merger, 2,000 at Thyssen and 2,000 at Tata, will not be prevented by the contract, but planned and carried out under its provisions. The contract even explicitly permits another wave of layoffs.

In paragraph 9, “safeguarding locations,” IG Metall provides the company with “the option,” regardless of the safeguarding of locations, of “subjecting individual plants and/or divisions to a change of operation, with socially acceptable solutions according to section 111 FF of the Industrial Relations Law.” The paragraphs referred to involve the devising of “social plans,” which involve the unions in organising the transition of the workers into unemployment.

The fate of the workers at the Duisburg-Hüttenheim heavy plate steel plant, the hot-rolled steel plant 3 in Bochum, and the coil-coating plant 3 in Kreuztal-Eichen has already been sealed. Their viability will be “reviewed until 30.9.2020 to determine whether there is a possibility of continuing.” The result has obviously already been determined, because location protection for these three facilities expires at the end of 2021.

The annual investments of €400 million promised by Thyssen, which has been praised by IG Metall and works council officials, is not aimed at protecting jobs, but seamlessly eliminating them, and will be used to cover the expected cost of social plans. Paragraph 10, “Investment planning,” therefore confirms that investment is planned at the plants that can be closed at the end of 2021 to ensure that

“the minimum term of employment security can be fulfilled.” The financial plans, which give more details about these proposals, are listed in an appendix, which has been withheld from the workers by the union.

In its leaflet summarising the contents of the contract and recommending its acceptance, IG Metall asserts that regardless of the ending of production at the three facilities in Duisburg, Bochum and Kreuztal, these locations will remain open until September 2026. This has no basis in the contract.

As in previous cases, IG Metall is already organising the “demolition crew”—i.e., a few steelworkers who will dismantle the plant. The primary goal with this is to ensure that the “jobs” of works councillors at these sites are preserved, unlike those of most workers.

In fact, a large part of the contract is concerned with posts for union and works council officials. Paragraph 3 proposes the formation of a “European works council,” paragraph 4 deals with the retention of “company co-management,” paragraph 6 the maintenance of the ThyssenKrupp works council, and paragraph 7 the company plant agreements.

Paragraph 5 proposes the establishment of an “employee executive committee (EEC).” This body will consist of six managers from the new joint venture and six trade union representatives, three from Tata and three from ThyssenKrupp (two works councillors and an IG Metall official): “This body shall meet three times a year for a strategic dialogue.”

The decisive consideration for the IG Metall and works council officials was the retention of “German co-management rights” and thus their own privileges, within the new company. Having contractually regulated this, they now want to enforce the contract and organise mass layoffs.

The rejection of the contract must thus be made the prelude to a rebellion against the trade union and the works council mafia. It is necessary to break out of the straitjacket of IG Metall and its works councils. The right to a job is an elementary right that cannot be sacrificed to the profit interests of the company, its investors, board members and lackeys in the trade unions.

The rejection of the contract and the struggle to defend all jobs at ThyssenKrupp Steel and Tata is part of growing opposition in the factories and the return of the class struggle in many countries. Two weeks ago, Ford workers in Romania struck against a contract through which the company-controlled trade union had sought to impose massive concessions.

In France, workers are resisting the labour market reforms of the Macron government, which will have even worse consequences than Germany’s Agenda 2010 and are backed by the unions. Mass protests have developed since the

beginning of the year in Iran and Tunisia, and tens of thousands are striking in Greece to protest the austerity policies and attack on the right to strike by the Syriza government.

The Sozialistische Gleichheitspartei calls on steelworkers to set a marker with a “No” vote and seize the initiative to develop a broad political mobilisation. To this end, the struggle against planned layoffs in the steel industry must be connected with the current contract fight of close to 4 million workers in the metal and electronics industries.

The expansion of the current warning strikes must be turned into a political movement against the German government and the plans to form a new grand coalition in Berlin. The parties have been negotiating for months behind the backs of the population on the formation of a new government, which will carry out a sharp shift to the right in foreign and domestic policy.

IG Metall sees its role as maintaining control over the radicalisation of workers in the factories and suppressing it. The Sozialistische Gleichheitspartei therefore calls on steelworkers and workers in the metal and electronics industries to take the conduct of the struggle into their own hands. This requires the construction of new organisations of struggle, action committees controlled by the workers themselves. These committees must fight for the broadest political mobilisation of the working class in Germany, Europe and internationally.

The defence of wages, jobs and social achievements requires an international perspective. In their war on the working class, the transnational corporations and banks pursue an international strategy. Workers must also develop an international strategy for the class struggle in order to defend their interests. The action committees must establish ties with workers throughout Germany, Europe and globally to support each other’s struggles.

The Sozialistische Gleichheitspartei is ready to support any serious initiative to expand the strikes and develop them internationally.



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