

Germany: IG Metall union exploiting COVID-19 crisis to cut more jobs at Thyssenkrupp

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At Thyssenkrupp Steel Europe AG (TKSE), the IG Metall (IGM) union is seizing the opportunity and increasing the number of jobs being cut. Now, 3,000 instead of the original 2,000 jobs are to be destroyed. All the roughly 27,000 employees will also be deprived of wage increases. Several plants will be closed.

One-and-a-half months ago, IG Metall announced that a so-called future collective bargaining agreement would be signed and sealed by the end of March. Now, the union has announced that the “Collective Agreement on the Future Pact for Steel 20-30” was successfully concluded on Tuesday evening.

The reduction of 2,000 jobs in production and 1,000 in administration will mainly affect the largest site in Duisburg. The heavy plate plant in Duisburg-Hüttenheim will be closed by September 30 next year, unless a surprise buyer is found. In view of the years in which no investments have been made, this is highly unlikely. It also remains the case that the hot rolling mill in Bochum with 1,000 employees will be closed.

In addition to the increased job cuts, the TKSE executive board and the IG Metall union have also agreed to wage cuts in response to the COVID-19 crisis. As long as there were still orders and demand, the steel workers would have to produce. The chairman of the works council of the heavy plate plant, Mehmet Göktas, reports in the local press that he is “proud of the team” which, under his guidance, “recently increased the daily quantity ready for shipment from 300 to 1,100 tons.”

In other words, the works council sees it as its task to drive the workforce to peak performance. In the midst of the coronavirus crisis, daily output has almost quadrupled! Presumably, this should prove the

profitability of the heavy plate plant in order to make the plant attractive for a buyer.

Production is also continuing in the other plants despite the risk of infection. Many steel workers are complaining on social media about the lack of hygiene and health protection measures. While in many areas, such as the control rooms, the specified minimum personal distance cannot be maintained at all, many old sanitary facilities even lack soap.

Now that demand is collapsing, the company has announced short-time working across the board. IG Metall and management have therefore also concluded a “Corona Agreement” without further ado, with the union celebrating an increase in the short-time work allowance to just over 80 percent of net wages—equivalent to a wage cut of almost 20 percent—as a success.

Last year, a collective bargaining agreement specified that each employee was entitled to either an additional payment of €1,000 or five additional days off. The freedom of choice is now abolished; the steel workers must take the days off “to reduce short-time working.”

IG Metall and the works council, under its chairman Tekin Nasikkol, sing the praises of their agreement. The verbal contortions in their information flyers are foul and provocative. “We wanted clarity by the end of March and were able to achieve it,” the union informs its “dear colleagues.” With the now concluded Pact for the Future, they write, “we have set the course for a successful future.”

The sell-off process, i.e., the closure of the heavy plate plant with 800 jobs, is now proceeding “transparently and with the participation of the works council and the IG Metall union until the end of the

year.” IG Metall first representative Dieter Lieske points out that the closure has far-reaching consequences: The neighbouring Hüttenwerke Krupp Mannesmann (HKM) supplies the steel for the heavy plate plant and is therefore also at risk. But his conclusion? It’s “a good and well-rounded package for the employees.”

The closure of the hot rolling mill in Bochum, which has already been decided, is no longer mentioned in the IGM flyer. The “success” is rather that “Bochum will remain as a location for steel.” There, a “centre of excellence for e-mobility, including high-strength and dual-phase steels, is to create a real future perspective.”

As usual, the job cuts will be made more palatable to the aging workforce with a “social plan.” Compulsory redundancies are to be ruled out until March 31, 2026—“nobody is going to be abandoned.” There have never been compulsory redundancies at Thyssenkrupp, nevertheless, tens of thousands of jobs have been destroyed in recent years, with devastating consequences for the entire region.

Even now, the union is trying to present the reduction of 3,000 jobs as a success, because in return they have been promised an “investment package of €800 million” and “increased annual standard investments of €570 million.”

The chairman of the works council, Nasikkol, no longer even notices the repellent way in which he has internalized the view of the top management. Regarding the promised investments, he said, “We [!] will correct the mistakes of the past in order to become number one in the steel sector again in the long term.”

Firstly, these are investments that have been lacking in recent years because it had been planned to transfer the steel sector into the joint venture with Tata Steel Europe. Secondly, the workforce is financing a large part of these investments itself through job cuts. Thirdly, only four weeks ago, Thyssenkrupp sold its profitable elevator business for over €17 billion. IG Metall supported this move, not least because it is intended to finance the current investments. And finally, there were clauses in every collective agreement releasing the company—but not the workforce—from all obligations if the economic situation requires it.

In order to make the waiver of the collectively agreed additional remuneration of €1,000 palatable, the

union’s new pronouncement states that “management, the board of directors and the executive management also make a comparable contribution in the corona crisis.”

“Comparable contribution”—what does that mean? Will the management boards also forgo €1,000 or a percentage “comparable” contribution? Will Personnel Director Oliver Burkhard, former head of IG Metall in North Rhine-Westphalia, no longer receive just under €400,000 per month, but only €380,000?

Is that what Burkhard meant in February when he wrote to broadcaster Westdeutscher Rundfunk (WDR), “If we want to reach top class again, everyone has to make their contribution. Continuing like this is not an option”?

The development at Thyssenkrupp makes one thing clearer than ever before, especially in the wake of the now intensified COVID-19 crisis: the sides of the barricade are clearly demarcated. The union and its works council representatives are on the side of the company. They push the workforce to achieve top performance, send them to work despite high health risks and believe that workers must pay for the profits of the stockholders with their jobs, wages, indeed their health and lives.

In order to secure the profits of the super-rich and shareowners—among them a number of hedge funds—works council boss Nasikkol and the IG Metall call on the workforce to remain calm and swallow all the bitter pills: “Let’s stick together and show solidarity right now.”

We call on all workers who want to fight against this “pact of profiteers”—composed of shareholders, management, trade union and works council functionaries—and who want to oppose it with the solidarity of workers, to contact us.



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