

IG Metall union demands state involvement at German steelmaker Thyssenkrupp

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19 October 2020

Last Friday, the IG Metall trade union and works council at Thyssenkrupp Steel Europe brought over 3,000 steelworkers to a rally at the North Rhine-Westphalian (NRW) state parliament in Düsseldorf. Held in the midst of a surge in the coronavirus pandemic, the action was aimed at persuading the state government to take a financial stake in the industrial group's ailing steel sector and restructure it with billions of euros.

Whatever the union and its works council representatives claim, the action was not about jobs. Rather, IG Metall and the works council are continuing their policy of backing the slashing of jobs and wages in close cooperation with the owners and the government and suppressing any serious struggle against these attacks on the workers.

Industrial action that includes all steelworkers and other workers at home and abroad is the only way to defend jobs. But that is what the well-paid bureaucrats in the union halls and works council offices—as well as the government and the billionaire shareholders—fear above all. They fear it could escalate into a political conflagration.

Under the surface there is seething anger in factories, offices and workplaces. Hundreds of thousands of jobs are at stake, not only in the steel industry but also in the automotive and supplier industries, the chemical sector, aviation and the banking sector, not to mention the service and cultural sectors, where entire industries such as hospitality are on the brink of collapse. Millions of workers in public transport, health care, education and other socially critical sectors are being forced to risk their health and lives for miserable wages and without the necessary protection, while the political establishment moves ever more openly towards the murderous policy of herd immunity.

Under these circumstances, a determined struggle by steelworkers could quickly escalate into a general strike that calls into question the entire capitalist system, under conditions where shareholders, oligarchs and billionaires are stuffing their pockets in the midst of a pandemic. IG Metall's call for the state to intervene serves to suppress such a mobilization.

In its call for the demonstration, the IG Metall begs the state government to cooperate with it in cutting jobs. It boasts that it has always supported job cuts in the past and will continue to do so in the future. The number of people directly employed in

the steel industry has fallen from 288,000 to 84,000 in the last 40 years. Just 27,000 workers remain at Thyssenkrupp. The amount of crude steel produced has decreased only slightly in the same period, from 51,000 to 42,000 tons.

“Workers have made sacrifices for years,” says the IG Metall's call for demonstrations. “We have done without. We have accepted that jobs have been cut. Three thousand more will disappear with the planned restructuring. This hurts, but we have been willing to go this way.”

Anyone who has witnessed the slow death of Opel Bochum knows what that means. At Opel, the IG Metall and the works council repeatedly “made sacrifices.” They sacrificed workers' jobs—not their own—step by step and promised each time that the rest of the workers would be safe—until the plant finally closed completely.

They are now playing the same game at Thyssenkrupp, where profits in the steel sector have collapsed due to the pandemic. This has thwarted the cuts plans agreed with IG Metall.

According to a recent report by the RWI-Leibniz Institute for Economic Research, crude steel production in Germany will fall by almost 15 percent this year. Thyssenkrupp's steel operations reported a loss of around €850 million in the first nine months, and for the year the loss is expected to add up to one billion euros. The company is not thinking of using the €17 billion it recently received for the sale of its profitable elevator division to preserve the steel business.

“The money is melting away like snow in the sun,” lamented works council chairman Tekin Nasikkol in Düsseldorf. He demanded, “Now it's up to the state.”

IG Metall has been campaigning for state involvement for some time. But NRW state premier Armin Laschet and federal economics minister Peter Altmaier (both Christian Democratic Union—CDU), who visited Thyssenkrupp in Duisburg the week before last, have so far rejected this. Laschet reiterated his opposition on Friday at the rally, to which IG Metall had invited him.

However, he and Altmaier have hinted that the company could receive state aid for the conversion of steel production to the use of hydrogen and electricity from renewable energy to reduce CO2 emissions. Thyssenkrupp estimates investments of 10 billion euros are needed for this purpose.

State involvement is “nothing unusual at all in the steel industry,” according to IG Metall. Lower Saxony has a stake in Salzgitter AG, the Saarland has long held shares in Saarstahl, it points out. “If you look at the landscape of steel companies in Germany, participation by the state of NRW in Thyssenkrupp Steel is obvious,” said Jürgen Kerner, IG Metall treasurer and deputy chairman of the supervisory board at Thyssenkrupp AG.

The state could secure the future of all employees, ensure climate protection and maintain Germany as an industrial location, the union claims. On Friday, Kerner said that those who support Lufthansa and TUI with billions must also save the basis of German industry.

Concerning the bank bailout, Nasikkol added, “Are bankers worth more than steelworkers?”

All this is eyewash and exploits the worries and hardships of steelworkers to push through the interests of capital. In all of the “bailouts” and state interventions cited above, jobs and workers’ rights have never been the concern of the corporations, unions and governments.

Lufthansa is receiving €9 billion and is considering cutting about 30 percent of its current workforce, about 40,000 jobs. TUI is cutting at least 8,000 jobs. And the workforces of Salzgitter and Saarstahl have no more secure jobs than their colleagues at Thyssenkrupp, Arcelor Mittal, Tata or other steel producers. The bank bailout that Nasikkol invokes did not protect bank workers, who were laid off in droves, but the owners and big shareholders.

When the American state under President Barack Obama took a stake in the big auto companies following the financial crisis of 2008, this resulted in the biggest attacks on wages and jobs in the history of the US car industry. In cooperation with the United Auto Workers union, the White House Auto Task Force destroyed at least 36,000 jobs, cut the wages of newly hired workers in half, and abolished the eight-hour day, as well as the company’s health care scheme for pensioners.

In recent years, the union and works council at Thyssenkrupp have repeatedly ordered job cuts, wage cuts and speed-up to “keep the shop running.” In its report of the rally, the IG Metall union writes that the union “took part in restructuring, made sacrifices and always worked hard.”

In March of this year, the works council and IG Metall agreed to the “Collective Agreement on the Future Steel Pact 20-30,” which provides for the elimination of 3,000 jobs and withholds wage increases from all 27,000 employees. This agreement is now just so much wastepaper.

In May, all 10 representatives of the union and the works council who sit on the group supervisory board agreed to the break-up of the corporation. Many divisions, including the steel division, are to be spun off and several plants closed.

Already two years ago Thyssenkrupp decided to merge its steel division with its competitor Tata Steel—a move that was blocked by the EU Commission. After initial protests, IG Metall and the works council agreed to the deal because Tata

allegedly promised to cut “only” 1,000 jobs when the merger was consummated. Now, an international steel group has again expressed interest in Thyssenkrupp. During the preparations for the IG Metall rally, news broke that the British steel group Liberty Steel had submitted a bid for the entire steel division.

The group, belonging to British billionaire Sanjeev Gupta, entered steel production only seven years ago, when it bought steel plants from Tata Steel in Britain. It then took over several plants from Arcelor Mittal in 2017. By its own account, Liberty Steel now has more than 30,000 employees in Europe, the US, Australia and China. In Europe, Liberty Steel employs 14,000 people in the UK, the Czech Republic, Romania, Northern Macedonia, Belgium, Luxembourg and Italy.

From next year, manager Premal Desai will join the board of the Gupta Family Group (GFG), to which Liberty Steel belongs. Desai was head of the steel business of Thyssenkrupp in Duisburg from June 2019 to February 2020. Thyssenkrupp, in turn, wants to take a “careful look” at Liberty Steel’s bid, the company announced. At the same time, the company is continuing to talk to other potential partners.

Although Kerner, Nasikkol and other IG Metall representatives have rejected a takeover by Liberty Steel, they had done the same in the merger with Tata, only to agree to the fusion in the end. As long as their own posts and privileges remain secure, they are prepared to do anything.

Defending jobs requires a break with IG Metall and its works council representatives. Steelworkers must unite in independent action committees that organize the defence of jobs and contact workers in other plants, industries and countries. This struggle requires a socialist programme. The assets of the banks, hedge funds and the super-rich must be expropriated. Economic life must be democratically controlled and geared to the needs of society rather than the profits of the rich.



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