

Despite workers' willingness to fight, IG Metall union organises sell-out in the German steel industry

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Despite workers' great willingness to fight, the IG Metall union and employers' associations have agreed on a massive real-wages cut for the 68,000 steel workers in the north-west—even though the corporations are making record profits. The new contract is also expected to be adopted for 8,000 industrial workers in East Germany.

Steelworkers will receive 6.5 percent more pay over a period of 18 months. The wage increase comes into effect on August 1 and runs until the end of November 2023. For June and July there is a one-off payment totalling €500.

The agreement equates to an annual wage increase of 4.3 percent, which is only half the demand for 8.2 percent over a term of one year that the union had originally advanced in the negotiations. And even this would barely have covered inflation, which was 7.9 percent in May according to the Federal Statistical Office.

If inflation remains at this level, the cost of living when the collective agreement expires will be 12 percent higher than today. Steelworkers would therefore have to accept a real wage loss of 5.5 percent. However, experts believe that prices are likely to rise even faster, and the official inflation rate does not adequately reflect actual price increases, which are especially high for necessities like food and fuel.

At the same time, workers in the iron and steel industry have already suffered major income losses in recent years. For three years, there have been no percentage increases in basic wages, with workers being fobbed off with one-off payments. As a result, the 6.5 percent increase will be applied to the level of 2019 wages.

IG Metall agreed to the deal in the fourth round of negotiations although—or because—the willingness to fight was enormously high. The steelworkers concerned were unanimous that a substantial wage increase was needed. This was also shown by the warning strikes in which, according to the union, about 28,000 workers from more than 60 workplaces have participated since June 1. On Monday alone, more than 11,000 workers took part, the majority of

them in Salzgitter (3,500) and Duisburg (2,100).

In recent years, many thousands of jobs have been cut in the iron and steel industry. IG Metall and their works council representatives repeatedly imposed wage cuts on workers by concluding company-by-company agreements rather than a sector-wide contract. The reason given was that steel produced in Germany would not be competitive on the world market otherwise.

Works council leaders, such as the chairman of the general works council of Thyssenkrupp steel Tekin Nasikkol, hypocritically say these cuts in jobs and wages ensure “job security.” On Nasikkol's watch alone, some 4,000 jobs have been destroyed in the past three to four years.

All this is for the sole purpose of maintaining profits. This is shown by the example of the 2,400 steel tube workers at the Vallourec factories in Mülheim and in Düsseldorf, whose factories are soon to be closed. While the Vallourec workforce participated in the warning strikes, the works council is “fighting” for a “socially acceptable” closure of the plant.

During the coronavirus pandemic, steel workers have risked their health and lives by working through almost the entire period under the aggravated conditions. Where short-time working due to the pandemic-related drop in production occurred, especially in the auto industry, they suffered wage losses.

Since the government lifted all COVID-19 restrictions as part of its profits-before-lives policy, and the war in Ukraine led to an increase in steel prices on the world market, the profits of the steel corporations have exploded again.

Industry leader ThyssenKrupp reported earnings before interest and taxes of €495 million for its steel division in the first quarter of the financial year, after a loss of €161 million in the same quarter last year. The second-largest steel producer, Salzgitter AG, reported an annual profit of €753 million for 2021 following a loss of €119 million the previous year.

The Ukraine war and German rearmament spending to the tune of €100 billion is making the champagne corks pop in steel company boardrooms. Steel workers are now producing steel for tanks, submarines, and warships. ThyssenKrupp also profits directly from submarine and ship building through its Marine Systems subsidiary (TKMS), which has been headed by former IG Metall district manager Oliver Burkhard for several months.

With the prospect of siphoning off a large part of the €100 billion, TKMS has meanwhile bought up the insolvent Wismar shipyard and wants to get heavily involved in warship production. Of the former 3,000 shipyard workers, 800 are to remain, and later the number is to rise to a maximum of 1,500.

If corporate managers like Burkhard have their way, workers will still have to foot the bill for the superprofits. In the first round of contract negotiations, the steel companies had proposed to shortchange workers with a one-off payment of €2,100, like the one in the chemicals industry. In the third round of negotiations on Friday last week, they then offered to raise wages by 4.7 percent for 21 months.

Monday evening, the fourth round of negotiations began in Düsseldorf. IG Metall had threatened a ballot and indefinite strikes if the employers did not budge. This was an attempt to deflect steelworkers' growing willingness to fight. It was the bureaucracy's usual hullabaloo before agreeing to the sell-out.

When 3,000 steelworkers demonstrated in front of the ThyssenKrupp steel plant in Duisburg last Thursday, chairman of the general works council Nasikkol spoke about the historically high inflation and high company profits. Whenever he or shop steward Klaus Wittig even hinted that there would be an indefinite strike if their demands were rejected, steelworkers supported this loudly.

But IG Metall was not thinking of asking the corporations to pay up to improve the wages of steelworkers. IG Metall leader Jörg Hofmann, who also spoke at the Duisburg rally, demanded a "fair offer from the employers."

The next day, an interview with Hofmann appeared in the *Süddeutsche Zeitung*, in which he made clear that IG Metall was working closely with the corporations and the government to fleece workers, in order to benefit corporate profits and the government war chest.

He explicitly rejected seeking compensation for the high level of inflation and said, "IG Metall is acting reasonably. We have the good of the whole country in mind." By this, the IGM leader, who is expected to rake in as much in one month as a steelworker takes home in a year, means stock market prices and company profits.

For years, the German and international experience has shown that wages and jobs cannot be defended if the unions

are in control and can plan the attacks on workers together with the employers' associations.

IG Metall is responding to the growing social crisis—the enrichment of a tiny layer of billionaires and the militarisation of society, on the one hand, and the increasing radicalisation of workers in the factories and offices, on the other—by working even more closely with the corporate boards and the government. It is using its entire apparatus to stifle the workers' rising rebellion.

To win, steelworkers must break organisationally and politically with the unions. The Sozialistische Gleichheitspartei (Socialist Equality Party) advocates building independent rank-and-file action committees in every workplace. These must organise the struggle against inflation and wage cuts, plant closures, layoffs, and social cuts, and build links with workers in other locations and countries.

The corporations operate internationally. Workers can only successfully oppose them if they also unite internationally. The International Committee of the Fourth International and its affiliated Socialist Equality Parties launched the International Workers' Alliance of Rank-and-File Committees a year ago to create "a framework for new forms of independent and democratic struggle organisations of workers in factories, schools and workplaces internationally."

We call on all workers who are not prepared to pay with their wages, jobs, health and lives for war, militarism, and the repulsive enrichment of shareholders, to get in touch with us.



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