

IG Metall union organises jobs sellout at Vallourec plants in Germany

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In a 9 September special edition of *Stahlnachrichten* (*Steel News*), the IG Metall union is jubilant over a so-called “key points agreement” it has signed with Vallourec management. It praises the severance payments, the establishment of a so-called “transfer company” and the extra bonuses it has agreed to for IG Metall members if they go along with the closures.

In reality, the agreement has only one aim: to prevent a struggle to defend jobs at the French-owned specialty steel tube manufacturer, which could quickly spread into a conflagration in view of the mass redundancies and plant closures at many companies. If the union gets its way, the destruction of 2,400 Vallourec jobs and many thousands more in the supplier industry will proceed as smoothly as possible.

Although the anger of many workers at the company’s plants in Düsseldorf and Mülheim has increased since the decision to shut down was announced in May, the IG Metall and the works council want to use the agreement to ensure that production is maintained until the very last day, so that profits continue to flow to shareholders and investors.

Instead of defending jobs through a joint struggle, the IG Metall, like an industrial police organisation, is praising the sellout of jobs in return for a severance payment, knowing full well that this will destroy the future for the coming generation.

On closer inspection, even the thirty pieces of silver being touted by IG Metall as the reward for agreeing to the destruction of jobs proves to be a fraud. In view of the dismissals at many other companies, the “transfer company” into which younger workers (born in or before 1967) are to be placed is a transfer to unemployment.

At the same time, the transfer is accompanied by a massive loss of wages because the short-time working

allowance of those transferred is, as a rule, only topped up to 85 percent of their monthly net wage, without including previously received supplements. This means a massive drop in income, under conditions where food and energy costs are exploding. Moreover, this mini-income will then be used as the basis for calculating unemployment benefits.

As far as the basic severance payment is concerned, the IG Metall boasts that it has negotiated a factor of 1.25. The gross monthly wage is to be multiplied by this factor and the years of service in order to calculate the severance pay. A factor of 1.25 is comparatively high, the union claims.

Assuming a gross monthly income of €4,000, an employee with 20 years of service will receive a severance payment of €100,000. A worker with 40 years service will receive €200,000. Taxes and social security contributions are to be deducted from the severance packages.

Workers with fewer years of service and/or lower wages will receive a correspondingly lower severance payment.

Those who cannot retire yet will realise when they apply for unemployment benefits, at the latest, how quickly a severance payment can be used up. In future, the “citizen’s allowance,” which replaces the previous Hartz IV welfare payment, will be means-tested.

Temporary workers and apprentices are being treated particularly badly when it comes to severance pay. Temporary workers are to be fobbed off with a lump sum of €10,000, apprentices with a lump sum of €5,000.

The extent to which the IG Metall now acts as an agency of management is shown by the fact that it is desperately trying to keep its members in the union by offering special privileges and additional bonuses if

they accept the closures.

For example, it has agreed that union members who were members of the IG Metall on the cut-off date of 18 May 2022 and remain members will receive a bonus of €10,000 gross. Those who were members of IG Metall on the cut-off date of 1 September 2022 and are still members will receive a bonus of €2,500.

The days when the trade unions stood for solidarity, joint industrial action and demands like “Equal pay for equal work” are long gone. Now they suppress any serious industrial action and divide workers between young and old, between temporary and contract workers versus senior workers, and between union members and unorganised workers, in order to impose social cuts, wage reductions, layoffs and plant closures.

So corrupt are many union officials that they are seeking to involve their members in real estate speculation. They--that is, only the IG Metall members—are to receive an extra bonus if the company makes more than a fixed (but secret) amount from the sale of the land on which the plants currently stand. Half of the additional amount is to go to the company and half is to be divided among IG Metall members.

The IG Metall and the works council calculate that with an additional amount of €38 million, €11,176 will go to each union member if on the cut-off date the members numbered 1,700. If Vallourec sells the property for more than the projected €120 million, non-members will supposedly receive a “generous” share. Of the €60 million available to the IG Metall for distribution, €50 million will then go to members and €10 million to non-members. Assuming there are 1,995 employees, each would then receive a bonus of €5,012.

The *World Socialist Web Site* calls on workers at Vallourec to reject the “key points” agreement with contempt, demand it be put to a vote, and vote against it.

In a May 21 article on the closure of the Vallourec plants we warned, “Industrial action—a strike or occupation of the plants—is indeed the only way to defend jobs. But that requires a complete break with IG Metall and its works council representatives.”

Workers must organise themselves into rank-and-file action committees independent of IG Metall and the works council. Their first task is to contact their fellow Vallourec workers in France, Scotland and other countries to organise joint industrial action to defend all

jobs unconditionally.

It is also important to contact workers in other sectors, especially those at Ford in Saarlouis, where the workers are fighting against the closure of their plant and the destruction of their jobs. The workers at Ford have already started to build an action committee.

The closure and job cut plans of Vallourec and the trade unions must not be accepted. All jobs must be unconditionally defended. The interests and needs of the workers stand higher than the profit interests of the corporation.

To wage this struggle, it is necessary to build the Sozialistische Gleichheitspartei (SGP--Socialist Equality Party) and organise the struggle on the basis of an international socialist programme.

Get in touch with the SGP! It supports the building of independent action committees and helps to forge international contact with workers in other countries and other factories also affected by closures. Send a Whatsapp message to the following number: +491633378340.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact