

# Germany's "steel summit": State intervention at Thyssenkrupp will not save jobs, but strengthens war industry

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12 December 2024

Discussion about the state taking a stake in Germany's largest steel company, Thyssenkrupp Steel Europe (TKSE), has intensified with the "steel summit" hosted by Chancellor Olaf Scholz (Social Democrat, SPD) on Monday. Much of big business, all the establishment parties and the IG Metall trade union favour state participation. However, their main concern is not the preservation of industrial jobs, but the maintenance of steel production for the war economy.

Representatives of companies, trade unions and works councils came to the steel summit at the Berlin Chancellery, including Dennis Grimm, head of Thyssenkrupp Steel, Jürgen Kerner, second chairman of IG Metall and a member of the supervisory board of the Thyssenkrupp parent company, and Tekin Nasikkol, head of the Thyssenkrupp group works council. Because the bosses of other steel companies such as Salzgitter, Stahl Holding Saar, Arcelor-Mittal, Georgsmarienhütte and Swiss Steel Germany were also invited, the state's entry into Thyssenkrupp Stahl was not discussed directly.

But Scholz himself had fuelled such discussion. In an interview with the Funke media group, to which the local newspapers in the Ruhr area also belong, he responded to the question of whether the state should take a stake in Thyssenkrupp Stahl shortly before the summit: "I'm not taking any options off the table now."

Above all, the steel summit was the start of the chancellor's campaign for February's early federal election, similar to his visit to the Ford plant in Cologne a day later.

After the meeting in the Chancellery, Scholz called the steel industry "indispensable" for Germany. "The steel produced here is of the highest geostrategic importance for industrial production in Germany," he said.

Works council leader Nasikkol enthused afterwards that Scholz had "recognised the signs of the times" and "promised concrete measures to strengthen the system—and security-relevant steel industry."

Discussion about state participation in ThyssenKrupp must be seen in this context—the defence of the "security-relevant steel industry." The company plans to cut 11,000 of the 27,000 steel jobs over the next few years.

The IG Metall and works council dominated by it have already agreed to this jobs massacre and are merely demanding that it be made "socially acceptable," i.e., without "compulsory redundancies."

State involvement is intended to strengthen the "war-relevant" steel industry. In recent months, almost all parties represented in the Bundestag (federal parliament) have spoken out in favour of this.

Speaking for the Christian Democratic Union (CDU), Dennis

Radtke, head of its so-called employee wing CDA, once again suggested the creation of a "Deutsche Stahl AG with federal government participation." Green Party leader Felix Banaszak, who comes from Duisburg in the Ruhr, said that "in the current situation it would be irresponsible" to make the question of state participation "taboo." Sarah Philipp, head of the North Rhine-Westphalia SPD, said that "involving the state as it did with the Meyer Werft," one of the largest and most modern shipyards in the world, could "be a bridging solution."

Just last week, the EU Commission under Ursula von der Leyen (CDU) approved the German state's investment in the Meyer Werft. The federal government and the state of Lower Saxony are taking over more than 80 percent of the company's shares. They are also guaranteeing 80 percent of loans totalling €2.6 billion.

The federal government explicitly justified state involvement at Meyer Werft, which currently only builds cruise ships, with military considerations. "Ultimately, Meyer Werft could also play a significant role in German military shipbuilding if the geopolitical situation were to worsen," *Die Presse* quoted in September from a government background paper for the Bundestag budget committee.

According to the head of the liberal ifo Institute, Clemens Fuest, the state should "normally not help companies in crisis." But geopolitical reasons could, however, "speak in favour of not allowing steel production to migrate entirely, because, among other things, the arms industry must not be cut off from steel supplies in the event of a crisis," he added.

Fuest wants to "develop and implement" this "in cooperation with European partner countries" in a "security concept." However, the German government is not interested in this and is focusing on strengthening the national steel and arms industry.

The state already has a stake in the steel industry. The state of Lower Saxony holds a good quarter of the shares in Germany's second-largest steel company, Salzgitter. In Saarland, the state government has transferred its shares in the remaining steel companies to the Saar Steel and Coal Foundation, which controls both Saarstahl and Dillinger.

Dillinger is Europe's leading manufacturer of heavy plate. The group has been supplying the security industry with specialist steels for decades. For about 12 years, Dillinger has also been producing for the arms industry. Since the military "new era" of 2022, German arms companies have been inundated with orders; tank manufacturer Rheinmetall has tripled its production.

The steel being used is increasingly coming from German

production. For years, German arms companies such as Rheinmetall and Krauss-Maffei Wegmann bought their steel for Leopard, Boxer or Puma tanks from Swedish steelmaker SSAB. Since the “new era” in foreign and military policy, German manufacturers have wanted to concentrate procurement of armoured steel as much as possible in Germany. The clear favourite so far was Dillinger Hütte, as leading representatives of the arms industry assured the *Frankfurter Allgemeine Zeitung* in September 2022.

The Thyssenkrupp-owned arms company Thyssenkrupp Marine Systems (TKMS), led by former IG Metall district secretary in North Rhine-Westphalia, Oliver Burkhard, is also part of the German arms industry. This division was able to increase turnover in the 2023/24 financial year by around 16 percent to about €2.1 billion, and its profit from €73 million to €125 million.

TKMS boss Burkhard was supposed to take the “global market leader in conventional submarines and a leader in the development of new naval surface and underwater technologies” (Thyssenkrupp) public. He negotiated with the Carlyle Group for a long time. At the end of October, Thyssenkrupp announced that the US financial investor “is withdrawing from the bidding process for a stake in Thyssenkrupp’s naval division.”

Citing government circles, finance daily *Handelsblatt* reported that the US investor had withdrawn due to resistance from the German government. However, TKMS remained “open to industrial partnerships,” and talks with the German government about federal participation would continue.

State participation in these industrial corporations vital for the conduct of war is part of Germany’s remilitarisation. In August of this year, *Handelsblatt* was the first to report on a draft for a national Security and Defence Industry (SVI) strategy. According to this, Economics Minister Robert Habeck (Greens) and Defence Minister Boris Pistorius (SPD) wanted to simplify the state’s entry into armaments companies.

The aim was to make Germany less dependent on foreign producers and German producers less dependent on private (foreign) investors. Armaments projects are to be considered undertakings of “paramount public interest,” the “civilian clause” prohibiting military research at universities is to be abolished, and approval procedures for military purposes are to be accelerated. Start-ups with close ties to the military will be able to access venture capital more easily through a public-private “future fund.”

When the cabinet adopted the SVI strategy on December 4, Pistorius stated:

For Germany’s defence capability, it is crucial that we have innovative and efficient defence companies in the country. Only in this way can we succeed in developing state-of-the-art weapons systems—also together with our allies—and, above all, in producing them in sufficient numbers. The current threat situation requires us to promote key technologies in Germany. ... With the SVI strategy, we are improving the framework conditions for companies and opening a new chapter in the relationship between state and industry, very much in line with the new era.

In short, Germany should become fit for war, and every economic and social consideration should be subordinated to rearmament and

warfare—especially in Ukraine against Russia.

Thyssenkrupp’s steel division has so far been mainly focused on civilian products, in particular producing steel and sheet metal for the household appliance and packaging industries, the energy sector and for carmakers. That is why Thyssenkrupp Stahl is so severely affected by the current crisis in the automotive industry.

Sigmar Gabriel (SPD) wants to ensure that Thyssenkrupp benefits from the German government’s warmongering policy in the future. In the summer, the former SPD leader, vice-chancellor, foreign, economic and environmental minister, staged his resignation as chairman of the supervisory board of Thyssenkrupp’s steel subsidiary as a reckoning with group CEO Miguel López. Now the money-hungry lobbyist Gabriel has signed on with Germany’s largest arms manufacturer, Rheinmetall.

The Düsseldorf-based company announced that its supervisory board had decided to nominate Gabriel for the position. “In a rapidly changing world, Sigmar Gabriel’s expertise in geopolitics is of particular value to us,” said Rheinmetall’s chief supervisor Ulrich Grillo, explaining the decision.

Rheinmetall is making every effort to fulfil all orders on time. The company is expanding and building new plants in Germany and in war-torn Ukraine. Gabriel is tasked with polishing up the image of these war profiteers, who are coining a fortune from the deaths of hundreds of thousands of young Ukrainians and Russians. “My membership on the Rheinmetall supervisory board should be understood as a contribution to dealing proactively with the necessity of a strong and efficient defence industry in Germany and Europe,” Gabriel said.

On the other hand, he will use his ties to Thyssenkrupp to provide the group with new steel production capacities. In doing so, Gabriel remains loyal to the line of the SPD and the coalition government, which is already initiating the next escalation of remilitarisation. Member of Parliament Joe Weingarten, rapporteur for the SPD faction in the Bundestag budget committee, called for a new “special fund for the Bundeswehr” amounting to €200 billion. “The coalition agreement for a new federal government should form the basis for this.”

The proposal for the state to take a stake in Thyssenkrupp is therefore part of the warmongering policy being pursued by the SPD, the Greens and all the other parties in the Bundestag. IG Metall and its works council representatives are fully behind this policy. Ali Güzel, head of the steel works council, has already assured Scholz that he will make an election appearance in Duisburg during the federal election campaign at the beginning of the year.

IG Metall and its works council reps are part of Berlin’s all-party war alliance. The struggle to defend jobs at Thyssenkrupp requires an energetic fight against them. We call on all steelworkers, IG Metall members or not, to stand against the IG Metall and works council bosses and to link the struggle against job cuts and wage cuts with the struggle against war. They are two sides of the same coin.

*Support the building of an independent rank-and-file action committee. Call +491633378340 or write a WhatsApp message and register using the form below.*



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