Germany: IG Metall union agrees to cut in real wages for steelworkers

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The IG Metall union has agreed to a cut in real wages for around 60,000 workers in the northwest German steel industry. Just minutes before the no-strike period in the old contract expired midnight Wednesday, it subjected already beleaguered steelworkers to the diktats of the steel corporations.

There is to be no increase covering the months of October to December. Starting in January 2026, workers will receive a pay raise of only 1.75 percent. Apprentices' pay will rise by €75 a month. The agreement runs for 15 months, until December 31, 2026.

Knut Giesler, lead negotiator and district leader of IG Metall North Rhine-Westphalia, claimed that "Project Responsibility for Steel" had almost failed. "Fortunately, in the end everyone lived up to their responsibility." He said the negotiating parties had thereby made an important contribution to employee security and to stabilizing the steel industry.

That is to twist the facts. IG Metall has once again lowered steelworkers' real wages to save the profits of the steel companies. For the union, the only responsibility is towards the interests of the shareholders and owners.

The same deal will likely be concluded in the coming days for roughly 8,000 employees in the East German steel industry (mainly ArcelorMittal). At the same time, it will serve as a blueprint for roughly 15,000 steelworkers in the Saarland (mainly Dillinger Hütte and Saarstahl) as well as in Kehl, Baden-Württemberg (Badische Stahlwerke) and Wetzlar, Hesse (Buderus). Talks there begin in November.

From the outset, IG Metall had made clear that it was entering these negotiations not to secure the interests of the workers but those of the steel corporations—Thyssenkrupp, Salzgitter, Mannesmann, Outokumpu, etc. "In view of the poor economic situation," the union had not tabled any percentage pay demand at all, instead calling for the safeguarding of "employment, real wages and skilled labour."

The AGV Stahl employers' association took note of this benevolently but rejected awarding any pay increase. "Even if it is to be acknowledged that the union is apparently aware of the dramatic situation of the German steel industry," said AGV Stahl's managing director, Gerhard Erdmann, "the demand for a pay increase exceeds the possibilities of our industry in the current economic situation."

Unlike IG Metall, the steel companies also saw no need for wages "to catch up," even though the union had already accepted cuts in real wages in the last settlement in December 2023. For 2024, steelworkers received only the €3,000 "inflation compensation payment" coordinated by the then federal government, unions and corporations, which partially plugged financial holes amid the price explosion in the wake of the pandemic and the Ukraine war. The increase of 5.5 percent on pay scales did not kick in until the start of this year.

In the contract talks this year, the steel companies initially offered nothing at all; then, in the third round last Tuesday, they offered an increase of 1.2 percent on pay scales effective January 1. There was to be nothing for October to December 2025, with a 15-month contract term.

IG Metall's bargaining committee—anxious at all costs to prevent a strike—had tabled a 2.0 percent pay increase from January 2026, with a one-year term until the end of September 2026. For the months October to December 2025, it would have been satisfied with a one-off payment of €300, something that could have been scrapped again if companies' economic conditions were poor.

There is probably not a single steel company that would not point to its poor economic situation. Ahead of time, AGV Stahl had cited the sector's "difficulties." The company pointed to: "The American tariffs and their diversion effect, the lack of effective external trade protection against unfair imports, ongoing deindustrialization, and electricity and energy costs that are too high by international standards."

For that reason, the union had insisted that IG Metall members should in any case receive €150. The employers rejected the 2 percent demand, and particularly the preferential treatment of IG Metall members.

As recently as Monday, IG Metall issued a press release in which North Rhine-Westphalia district secretary Knut Giesler spoke out against industrial action and appealed to the companies: "Germany's steel industry doesn't need warning strikes right now. Employers and employees should pull together to make the sector fit for the future." That, he said, is why the union had taken an "unusual path" in this bargaining round. "But if employers don't want to walk this constructive path, things will get confrontational from Wednesday and there will be warning strikes."

On Monday, Giesler knew he would abandon steelworkers to the steel companies' demands a day later. He and the entire IG Metall apparatus do not want strikes, which—given massive layoffs and cuts at the steel companies—could easily get out of their control. Thyssenkrupp wants to cut 11,000 of 27,000 jobs, ArcelorMittal has cancelled its "green steel" investments in Duisburg, and the only steelworks in the state of Hesse, Buderus in Wetzlar, is being broken up.

Once again it becomes clear that there are no shared interests between employees and corporations, contrary to what IG Metall officials would have people believe. Only their interests align with those of the companies: they keep their cushy posts and perks if the corporation exists.

But for workers it is different. Their losses are the shareholders' and owners' gains. When IG Metall claims that "employers and employees should pull together," that is eyewash. To stick with the image: the union and employers are both pulling on the same end of the rope—and it is time the workers finally pull things in their own direction.

It is therefore urgently necessary to organize independently and to take on the union apparatus. According to workers at Thyssenkrupp, many there are discussing quitting IG Metall after the disastrous "social contract." That can be an important first step—provided that the realization that the union does not represent the workforce's interests is coupled with the conclusion that they must act themselves—in independent rank-and-file action committees. Those must organize workers who want to fight. IG Metall officials or full-time works council representatives—management's henchmen—have no place in them, and they must be excluded.

The field must not be left to the IG Metall apparatus. Rather, union officials and their works council reps must be held to account. All negotiating mandates must be taken away from them. That task must be assumed by trustworthy colleagues elected from the action committees.

Action committees across the still numerous steel companies, despite ongoing cuts, must network with one another and coordinate joint measures, including strikes. The downward spiral in which workers pay the costs of trade war, rearmament and war in the battle for profits must be stopped.

This can be done if steelworkers in Germany do not look for allies in the IG Metall apparatus—and certainly not in the companies—but among steelworkers in Europe, the United States and China, all of whom are facing the same attacks.

We call on steelworkers in Germany to get actively involved now. Otherwise, the steel industry will go the way of the coal industry. Prosper-Haniel in Bottrop—the last hard-coal mine in Germany—was closed in 2018.