

Lessons from the struggle at Kelvion in Thuringia: IG Metall and Left Party organize a sellout

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At the end of August, the works council and IG Metall union reached an agreement with the management and owner of the Kelvion PHE company, a manufacturer of heat exchangers based in the German state of Thuringia. The deal sanctions the closure of the plant in Wilchwitz-Nobitz and gives the green light for the elimination of nearly 300 jobs.

For four weeks, starting August 4, workers struck the company, guarding the factory gates around the clock. It was the first indefinite strike in eastern Thuringia since the reunification of Germany over 35 years ago. On Saturday August 29, the works council and IG Metall abruptly brought the strike to an end.

IG Metall officials are celebrating the deal. According to them the new collective bargaining agreement is a “historic victory for the union.” Local IG Metall officials have highlighted the statement of chief negotiator Tom Knedlhanz, who said, “Our message is: It’s worth fighting!” The strikers secured a “ban on layoffs for operational reasons until the end of 2026,” he said, as well as “exceptionally good” severance packages.

In fact, workers can expect a payoff based on years of service multiplied by gross annual pay multiplied by a 1.5 multiplier. In other words, workers will get a few tens of thousands of euros, which to add injury to insult are subject to taxes. Older workers over 60 will receive significantly less.

The closure by end of 2026 is exactly the date originally set by the company. Layoffs for “operational reasons” are sanctioned in the deal. What IG Metall is touting as a “historic victory” is the beginning of the end in Wilchwitz.

Union secretary Knedlhanz knows exactly what he is doing. This was evident from his appearance at a gathering of pseudo-left “unionists” in Bochum in 2023 organized in part by the Left Party think tank, the Rosa Luxemburg Foundation. There, the IG Metall official explained that a working group on labor disputes in East Germany had concluded “that the courage and determination of workers in the East are growing and they are recognizing their power in workplace disputes.” This insight, Knedlhanz said at the time, must not be stifled by “outdated, proxy-based union practices.”

Yet, that is precisely what he has now done: He organized a four-week work stoppage for a “social collective bargaining agreement” that has resulted in the shutdown of the company exactly as planned.

An agency is being set up for those laid off, ostensibly for “retraining” and “to place them in new jobs.” In plain language, this means: a short-term bridging payment (for four months to a maximum of one year), termination of the employment contract, “occupational therapy,” and a stepping stone to unemployment.

The unemployment rate in the Altenburger Land region, where Wilchwitz is located, is already nearly 10 percent.

Speculative deals at the workers’ expense

Kelvion is currently majority-owned by the US private-equity firm Apollo Global Management. Immediately after the strike ended, Apollo announced that Kelvion, headquartered in Herne (North Rhine-Westphalia), would be acquired by SLB as expected. SLB is a New York Stock Exchange-listed, globally active technology and services group for the energy industry. The private equity firm Triton holds a minority stake, which will also be transferred to SLB. The transaction is expected to be completed in the first half of 2027.

SLB is paying approximately €2.9 billion (US\$3.4 billion) in cash for Kelvion and also assuming debt of about €600 million (US\$700 million). The Kelvion plant in eastern Thuringia is being mothballed not due to a shortage of funds, but the pursuit of financial speculators for maximum profit.

The Wilchwitz plant is in the black, and the order books are full. Demand for heat exchangers is high. But Apollo Global is a private-equity fund that manages one trillion dollars in assets and is concerned solely with profit.

Far from defending workers against these financial vultures IG Metall bureaucracy is only looking to preserve its own financial and institutional interests. Union officials say ending the strike has cleared the way for negotiations with a potential new investor for the plant in Wilchwitz. The Saxony-Anhalt-based company Thermowave has been discussed as a candidate for weeks, but likely intends only to keep the machinery and products while getting rid of the workforce. Even IG Metall Secretary Knedlhanz had to admit that the takeover, if it were to happen, would offer no security whatsoever for the workforce: “The employees are to be sent into the unknown by the investor—without a works council, without collective bargaining agreements, and with new employment contracts.”

The strike at Kelvion is not an isolated case. Resistance is mounting throughout Germany: in the auto and supplier industries, as well as in the steel, chemical and electrical industries. At VW alone, four plant closures and 100,000 layoffs are looming, and workers are beginning to fight back. The four-week strike at Kelvion is a first step toward what the working class needs: a determined struggle for every job.

From the “turn” to the “turning point”

Thirty-five years after the “Wende” or “Turn”—the reintroduction of capitalism in the former Stalinist-ruled German Democratic Republic

(GDR)—the ruling class in Germany is announcing a new turning point: the “Zeitenwende” toward militarism and dictatorship. Government and business officials are making the entire society “fit for war” and pumping hundreds of billions of euros into the largest rearmament program since Hitler. Workers are expected to pay for this: through price hikes on gasoline and food, through cuts to pensions and social benefits, and ultimately with their own lives. This is generating popular discontent, which is particularly high in eastern Germany.

The fact that the Kelvion workforce voted 93 percent in favor of a strike and guarded the plant around the clock for four weeks was an expression of the growing militancy of workers. But it also reveals the limitations of the struggle so far. The union bureaucracies are hostile to the escalation of the class struggle and instead support and are active in implementing rearmament and austerity to strengthen the “German economy.” This raises the central question: How can the emerging resistance of workers break free from the clutches of the bureaucracy and develop into an independent, political struggle? Drawing the lessons of history is crucial.

The experience with the Treuhand agency during the liquidation of former East Germany (GDR)

In the eastern federal states, the conflict at Kelvion brought back memories of the period between 1990 and 1991. At that time, the government agency known as the Treuhandanstalt shut down thousands of enterprises and sent hundreds of thousands into unemployment. What is called “transformation” today was called “liquidation” back then. To draw lessons for today, it is important to understand the corporatist mechanism used to shut down East German enterprises at that time.

Thirty-five years ago, the Treuhand used underhand tricks that were supposedly “socially acceptable.” It used a sophisticated set of tools: transfer companies, catch-all employment companies, zero short-time work, and much more. The most important tool was the same one being used now at Kelvion: a “social plan” based on the tripartite collaboration between the corporations, unions and the government.

The process was the same as it is today: First, a company was approved for “liquidation.” Then union officials sprang into action—not to prevent the closure, but to negotiate severance packages and temporary solutions. The workers were paid off one by one with a pittance. Those who continued to fight were isolated by the unions.

Under dubious circumstances, the Treuhand sold off nearly 10,000 companies and more than 25,000 small businesses at the time. Of the approximately 4.1 million jobs in Treuhand-managed companies in 1990, only about 1.5 million remained by 1994. The “social plan” never protected workers. It was a mechanism to facilitate closures.

The Treuhandanstalt was founded on March 1, 1990, by the government of former Stalinist East Germany, Prime Minister Hans Modrow. It was the last major act of his Party, the SED (Socialist Unity Party), which had recently renamed itself the PDS (Party of Democratic Socialism). Its aim was to convert all state-owned property into corporations to be privatized.

The Stalinist SED did not dissolve; it simply changed its name and preserved its cadre of officials under new conditions. The PDS—now the Left Party—did not fight the Treuhand over jobs, but over the SED’s assets and positions. Meanwhile, the parents and grandparents of today’s workers were impoverished through the social plan.

The Left Party plays the same role today. The former Left Party Minister-President of Thuringia, Bodo Ramelow, visited the picket line at Kelvion to promote the social plan and a “transfer company.” Christian Schaft, the Left Party’s parliamentary group leader in the Thuringian state parliament, sang the same old tune: “With the social collective bargaining

agreement and the transition program, we now have the opportunity to begin the search for an investor for the site. Here, I expect support from the state government. The Transformation Fund has been available since January; now is the time to use it.”

Just as in 1990, the Left Party is not only collaborating in the destruction of jobs but is offering state funds to facilitate it.

The SED: Not socialism, but Stalinism—and the far-right Alternative for Germany (AfD) benefits

How could a party that called itself “socialist” hand over all state property to the capitalists? The answer: The role played by the SED and its successor parties was not the result of socialism, but rather Stalinism—i.e., a privileged bureaucracy that politically oppressed the working class and divided it internationally.

When this bureaucracy spoke of “socialism,” it meant its own privileged position within the framework of a closed-off nation-state. It fed off the nationalized property relations in the GDR and the Soviet Union. When the globalization of production made it impossible to maintain this position on a national basis, and discontent grew among the population, the bureaucracy threw all state property and all the social gains associated with it into the jaws of the capitalists.

The SED/PDS/Left Party and the trade union bureaucracy did not merely tolerate the dismantling of the GDR; they organized it themselves in the interests of capital. Today, their political successors are continuing along the same course, paving the way for rearmament, mass layoffs, and the dismantling of social programs. Many wonder why the AfD has such strong support in eastern Germany. The answer lies in history: the workers were betrayed in 1990, and they are being betrayed again today.

The anger over this is justified. But those who do not understand who betrayed them and why, will only come up with the wrong answers. The AfD says: “It’s the foreigners’ fault” and “It’s the West’s fault,” and so on. These are false explanations that distract from the real causes. The AfD is not the enemy of the establishment, but its most aggressive proponent. The AfD’s propaganda—which today makes use of Trabi (East German auto) parades and the GDR anthem—is not a response based on the interests of the working class to the global crisis, but a weapon of the very same oligarchy that is causing this crisis, closing factories and arming itself for war.

The AfD channels the justified anger over the betrayal by the SPD, the Left Party and the unions into a dead end: nationalism. This pits workers against one another rather than uniting them against the exploiters and warmongers. The AfD is reaping what the Left Party has sown: by destroying any real socialist perspective, Stalinism paved the way for fascism.

The strike at Kelvion is one sign of the growing radicalization of the working class. To move forward, however, political lessons must be learned.

The struggle for jobs cannot be separated from the struggle against militarization, fascism and war. The working class needs independent action committees that connect it with colleagues in other plants, industries and countries to take up a genuine struggle against financial parasites like Apollo Global.

The struggle against the AfD is won at the factory gates, in the fight for every job and through the independent, international organization of the working class. Those who unite workers rather than pit them against one another deprive the AfD of the very basis of existence. The Socialist Equality Party (SGP) is leading this struggle and supports the building of the International Workers Alliance of Rank-and-File Committees (IWA-

RFC).



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