German steelmaker Thyssenkrupp to cut 11,000 jobs

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Thyssenkrupp aims to cut 11,000 jobs in its steel division, which is 40 percent of the current total of 27,000 jobs. Germany's largest steel company announced this on Monday, leaving steelworkers on the Rhine and Ruhr, in the Siegerland and Sauerland shocked. Meanwhile, the IG Metall trade union has made clear that it will support these attacks—provided, as with the cutbacks of recent decades, plant closures and compulsory redundancies are ruled out.

On Monday, the management board of the company's steel division presented the long-announced "comprehensive industrial future concept" to the strategy committee of the supervisory board. It is an austerity plan designed to secure profits in the escalating global trade and economic war at the expense of the workforce.

By 2030, 5,000 jobs are to be cut at steelworks and factories at all sites, and this also includes "a significant streamlining of the administrative functions." The processing plant in Kreuztal-Eichen in the Siegerland region, which employs almost 600 people, is to be closed. The largest steelworks in Germany, in the north of Duisburg, is also likely to be particularly affected. Almost 13,000 people currently work there.

Another 6,000 jobs are to be shed through outsourcing to external service providers or through sales. This particularly affects the 3,000 steelworkers at Hüttenwerke Krupp Mannesmann (HKM) in the south of Duisburg.

Thyssenkrupp is the largest shareholder there with 50 percent, Salzgitter Stahl holds 30 percent, the French group Vallourec 20 percent. If the current purchase negotiations with the Hamburg-based financial investor CE Capital Partners (CEC) fail, "Thyssenkrupp Steel will hold talks with the other shareholders about mutually agreed closure scenarios," the group explained.

The remaining 16,000 employees face wage cuts of 10 percent in order to bring personnel costs "to a competitive level," according to the company. This is to be achieved, among other things, by cutting special payments and bonuses. Newly hired employees are to receive lower wages.

On the day the cuts were announced, Oliver Burkhard, the parent company's chief human resources officer, announced that he would be resigning from this job on January 31, 2025. Burkhard, who was the North Rhine-Westphalia district leader of IG Metall before joining the group's executive board, wants to devote himself entirely to his second job as CEO of the shipyard division Thyssenkrupp Marine Systems (TKMS).

The arms manufacturer, which produces submarines and warships and employs 6,500 people, is almost drowning in orders because of escalating wars. It is currently working hard to go public, and Burkhard says he wants to concentrate fully on this task.

It is not yet known who will succeed him as head of HR at ThyssenKrupp. Within IG Metall, knives are already being sharpened. Tekin Nasikkol, the chairman of the general works council, will compete with other "distinguished" union officials for the job, which promises a salary of €400,000—per month.

Knut Giesler is likely to be among the applicants. The successor to Oliver Burkhard at IG Metall immediately declared his willingness to support the cutbacks in the steel division. Yesterday morning, he told broadcaster Deutschlandfunk that the union's "red lines" were layoffs and plant closures. As soon as a commitment not to do so was secured, he said, negotiations could begin.

Jürgen Kerner, deputy chairman of IG Metall and deputy chairman of the Thyssenkrupp supervisory board, took the same line, demanding, "We expect clear statements on the exclusion of redundancies and the preservation of all locations."

A joint "Duisburg Declaration" by all Thyssenkrupp works council representatives is even clearer. "We do not close our eyes to the reality of the weak economy and the weak sales market in the automotive industry," it says. They were also aware "that the European framework conditions for the steel industry are challenging."

The works council reps are also calling for no compulsory redundancies and site closures. With this meaningless formula, IG Metall has already agreed to the loss of tens of thousands of jobs in the past—it also has other methods of pushing workers out of the company—and has ultimately accepted the closure of most threatened steelworks in the past.

The Thyssenkrupp board is familiar with this game. It has already made assurances that it remains its "declared goal" to "avoid compulsory redundancies."

It is therefore already clear that IG Metall and its works council reps will follow the line of the group's management. "We know that restructuring is necessary," Giesler confirmed on Deutschlandfunk. "We have never opposed that." But the break-up must "make sense."

He and the IG Metall are demanding a financing commitment for the steel division of more than two years, as the parent company under CEO Miguel López had already given. The parent company is currently trying to transfer the steel division to a joint venture with Czech billionaire Daniel Kretinsky. He already has a 20 percent stake in the steel division through his EP Corporate Group (EPCG). It is unclear whether he will end up with the desired 50 percent.

The disputes over the amount of the financing commitment led to the departure of several members of the management and supervisory boards of the steel division at the beginning of August. CEO Bernhard Osburg, Chief Human Resources Officer Markus Grolms (IG Metall), Chief Production Officer Heike Denecke-Arnold, Supervisory Board Chairman Sigmar Gabriel (Social Democrat, SPD) and his deputy, former IG Metall leader Detlef Wetzel, subsequently resigned.

At the time, the chairman of the steel works council, Ali Güzel, announced in the presence of Gabriel and Wetzel: "We will fight from tomorrow on. Someone has to stop this madness." Almost four months later, nothing of the sort has happened. IG Metall has, like the proverbial deer in the headlights, waited spellbound for the announcement of the jobs massacre that has now been presented. It exceeds even the horror scenarios of the union, which had warned of the loss of 10,000 jobs.

Nevertheless, Giesler is jubilant that the capacity reduction in steel production will be less harsh than feared. Thyssenkrupp Steel wants to reduce its production capacity from the current 11.5 tonnes to 8.7–9 million tonnes per year.

Giesler expressed his satisfaction: "This would mean that both steelworks in the north of Duisburg would be retained." The commitment to the DRI (direct reduction) plant was also "the right signal," according to the IG Metall district manager. With the help of the direct reduction plant, the steel is to be smelted with "green hydrogen," and thus CO_2-free. The first blast furnace is under construction, with Thyssenkrupp receiving €2 billion in taxpayers' money from the federal government and the state of North Rhine-Westphalia.

However, the construction of a second DRI plant is still in the air. Nevertheless, the management board plans to shut down blast furnaces 8 and 9 permanently after the first direct reduction plant goes into operation and to decommission blast furnace 1 (nicknamed the "Black Giant") in 2031.

The works council complains that this would make the company dependent on steel suppliers. Furthermore, operating the Black Giant for another seven years would require investments of €300–400 million. Nobody believes that this will be made available for the old, CO_2-spewing steel mill technology.

The steelworkers of Thyssenkrupp and HKM cannot defend their jobs without breaking with IG Metall and their works council reps. They must ally with their colleagues in the auto, chemical and other industries, where tens of thousands of jobs are also being destroyed. And they must join forces with workers in other countries and wage the struggle internationally.

The jobs massacre in the steel industry is not a natural disaster, but a consequence of the bankruptcy of the capitalist system, which subordinates the needs of society to the profit hunger of billionaire oligarchs. A ruthless struggle for raw materials, energy and markets is being waged at the expense of the workers, which is now escalating into a third world war, as in the NATO war against Russia and in the Middle East.

The steel industry is particularly affected by the consequences—by the economic crisis in general, the slump in sales in the automotive industry, which is one of the main consumers of steel, and the price war on the world market. Now US President-elect Donald Trump has announced he will further raise tariffs on steel, which will particularly affect European steel producers.

The union bosses, with their high five-, six- and seven-figure incomes, are reacting by making the workforce pay for the pro-war policy and maintaining the shareholders' profit interests.

Federal Economics Minister Robert Habeck (Greens) has announced that domestic industry will be protected against international competition for security reasons—as a supplier to the arms industry. In other words, he is further tightening the screws of trade war and war.

In a joint statement with the Südwestmetall employers' federation issued after the beginning of the war in Ukraine, the Baden-Württemberg association of the IG Metall supported NATO's proxy war against Russia and announced: "These measures will demand sacrifices from all of us."

The IG Metall bureaucrats know no "red lines." They will sacrifice every social gain and millions of jobs to ensure the profits of big business and the policy of war. The fight against job cuts must therefore be linked to the fight against war. This, in turn, is only possible against the IG Metall, not with it.

We call on all Thyssenkrupp workers to work to build a rank-and-file action committee to defend all jobs and workers' rights in principle.

Contact us! It's time to take action. Send a WhatsApp message to +4916633378340 and register right away using the form below.

To contact the WSWS and the Socialist Equality Party visit:

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