

Steel workers storm ArcelorMittal headquarters in Luxembourg

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A demonstration on Tuesday of steel workers in front of the Luxemburg headquarters of the world's largest steel concern, ArcelorMittal, reflects the growing class antagonisms building up in Europe and throughout the world.

At the start of the meeting, attended by approximately 200 shareholders, the management of ArcelorMittal announced the destruction of 9,000 jobs, including 6,000 in Europe. Germany is to lose 750 jobs, France 1,400 and Belgium 800. Nearly 1,000 jobs will be eliminated in the US.

Around 1,500 steel workers from Belgium and France had travelled by coach and train to the capital of Luxemburg to protest against the planned dismissals. Reduced hours were introduced several months ago at the company's plants at Charleroi and Lüttich in Belgium. Now layoffs are in the cards at both factories.

Many workers were especially furious because the management had decided to pay out a dividend of \$1.1 billion to shareholders despite a fall-off in production and mass redundancies. "We lose our jobs and the shareholders get a dividend," was the comment in a television interview by one bitter worker from the ArcelorMittal plant in Florange, France.

The police had sealed off the company headquarters with barriers supervised by special police units. During the demonstration angry workers suddenly attacked the police with paving stones and bottles. The metal barrier was torn down and workers tried to break open the entrance door of the building. There followed a series of violent clashes with the police and company security guards.

According to eyewitness accounts, one steel worker threw a smoke bomb in a window, spreading a noxious smell amongst the assembled shareholders.

According to its own website ArcelorMittal is "by far and away the world's largest steel producer". The company has a total of around 60 plants in more than two dozen countries and employs 310,000 workers.

The steel giant arose from the rapid fusion of steel enterprises over the past decade. It emerged in its existing form in 2007 though the merger of the two leading steel producers: Arcelor S.A. and the Mittal Steel Company.

The former chairman of the board of Mittal Steel, Lakshmi Mittal heads the newly fused company with his son Aditya Mittal as President and Chief Financial Officer. The Indian business family Mittal developed its corporate empire by cannibalizing and reorganizing ailing steel plants in Asia. After the collapse of the Stalinist regimes in Eastern Europe and the Soviet Union, they specialized in buying up cheaply and then privatizing former state-owned enterprises. Their sphere of operations extended to Romania, Poland, the Czech Republic, Bosnia and Herzegovina, Macedonia, Kazakhstan and Ukraine.

According to Forbes magazine, Lakshmi Mittal is the world's eight-richest person with a fortune of \$19.3 billion. On the occasion of the marriage of his daughter to a 25-year-old London-based financier five years ago, father Mittal spent an estimated \$64 million for the ceremony.

Last year the head of the company was distinguished with the second highest Indian honor, the Padma Vibhushan, for his "unusually outstanding achievements". The Indian government also organized a special "day of the republic" as a further tribute.

ArcelorMittal is now using the present steel crisis to

introduce drastic saving measures, layoffs and wage and benefit cuts in all of the factories belonging to the business empire. The dismissals already announced form only the prelude to the closing of entire plants.

According to the World Steel Federation, the international steel industry is currently undergoing the biggest slump in demand since the Second World War. Against a background of global recession and a dramatic decrease in automobile production and engineering, the demand for steel is expected to fall across the world by 14.9 percent this year. In the European Union the drop in demand will be even higher, at 28.8 percent.

For Germany the trade federation Stahl anticipates a decrease of one quarter in the production of raw steel in 2009. This figure currently appears to be an underestimate. In April German steel production actually sank by 53.1 percent. According to official figures, 45,000 of Germany's total of 94,000 steel workers are already working reduced hours.

The role of the trade unions

As is the case in all other large companies, the trade unions play a key role at ArcelorMittal in implementing job and benefit cuts. Although the company's management pursues an international strategy with workers in Europe and across the globe forced them to pay for the consequences in the form of cutbacks and redundancies, the trade unions refuse to organize any joint struggle of all those affected.

Instead they co-operate closely with their respective managements behind the back of the workforce to support concessions aimed at protecting their "own location" at the expense of other sections' workers.

Lakshmi Mittal has gathered considerable experience in his dealings with trade union bureaucrats and their opportunist policies. In Eastern Europe and the states of the former Soviet Union he implemented his privatization plans in close co-operation with the former functionaries of the leading state parties. In 2001 he also made a generous donation to the British Labour Party. Media reports at the time made clear that this generosity was directly bound up with the support

of head of the party and government Tony Blair in facilitating his takeover of the Romanian state enterprise Sidex.

Two days before the worker protests at the ArcelorMittal shareholders meeting in Luxembourg, the European Metalworkers' Federation (EMF) issued a press release in which they appealed to "the responsibility and personal interests" of the shareholders. The shareholders would have to ensure that "Mittal submitted a clear industrial plan which makes clear how all ArcelorMittal locations can be preserved in such a way as to enable them to recommence production when the economy picks up," explained Peter Scherrer, secretary-general of the European Metalworkers' Federation.

The press release continues: "The EMF demands in particular that the shareholders support the conclusion of a European framework agreement to assist in overcoming the crisis for the company." In fact, such an agreement is aimed at organizing the dismantling of jobs in such a fashion that they can be successfully implemented by the trade union.

The rage of workers which was so visible in their protest in front of the ArcelorMittal headquarters in Luxembourg was not only directed against the planned mass redundancies and simultaneous dividend payout of billions. It was also an expression of growing opposition to the refusal of the trade unions to conduct any international struggle for the defense of jobs.



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