

Romania: 3,500 jobs threatened at Oltchim chemical plant

Our correspondents
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The situation of 3,500 workers at Romania's Oltchim chemical works remains uncertain following the failure of the Social Democratic (PSD) government led by Victor Ponta to reopen the plant and provide funds for unpaid salaries.

The closure of the plant on August 22 was a result of the government cutting off its funding just weeks before the factory was due to be sold to private investors as part of the agreement with the IMF and the European Commission. The privatization process was canceled on Monday, October 1 after the government accused Dan Diaconescu, the winner of the public auction, of bad faith and having insufficient funds.

The privatization of Oltchim was singled out by the IMF board as a compulsory condition for the release of the seventh installment of a 3.5 billion euro package. The Oltchim industrial complex, one of the largest companies in Romania, directly employs over 3,000 workers and is crucial to the economy of the Ramnicu Valcea county and surrounding regions.

The plight of Oltchim has been taken up by broad layers of Romanian workers because its demise recalls the mass privatizations and dramatic lowering of living standards that followed the fall of the country's Stalinist regime in 1989 and heralds the beginning of a new round of ferocious attacks on the working class in Romania.

The Ponta government was determined to start the privatization process just before scheduled parliamentary elections in early December to demonstrate to the financial markets that it is determined to push through unpopular policies, regardless of all opposition. After the negotiations for selling the plant were canceled, the premier brushed off criticism and made clear that he had not the slightest

concern for the future of the work force by stating "the people at the IMF told us very clearly that the important thing was to give a sign of political intent."

The auction of the company was held on the September 21 and attended by the German company, PCC SE (a minority shareholder at Oltchim), the Romanian businessman and politician Dan Diaconescu, founder of the People's Party (PP-DD), and another private investor. Diaconescu was declared the winner after offering 45 million euros, more than 10 times the amount offered by other bidders. The claims held by the state companies Electrica and AVAS were listed separately from the shares of Olchim, but were not sold.

Diaconescu said he participated in the auction to prevent Oltchim from "being owned by foreigners," claiming that his bid was the only alternative to the closure of the industrial complex. Ponta immediately accused Diaconescu of trying to win political capital and accused him of lying about the fact that he owns the 45 million euros necessary for his bid.

As workers' protests continued at the plant, negotiations carried out one week later were marked by mutual accusations of bad faith. The government claimed that Diaconescu had put forward forged documents while Diaconescu accused the government of refusing to include provisions in the contract that would guarantee the functioning of the plant.

On Monday, October 1, the last day agreed for the signing of the contract, Dan Diaconescu withdrew 1.8 million euros from the bank and asked Ponta to use the money to pay one month's salaries at Oltchim. The government refused the offer and canceled negotiations later on the same day.

Dan Diaconescu rose to prominence as owner and

producer of the TV station OTV. He regularly hosted night-long shows, exploiting disturbed and damaged individuals, establishing an audience amongst the most vulnerable and socially insecure members of society. His TV station also frequently featured far-right figures such as Greater Romania's Vadim Tudor or real estate millionaire George Becali, who is associated with neo-fascist gangs and violence against gay marches in Bucharest. Diaconescu was also linked with conservative President Traian Basescu, famously claiming that he "had twice made Basescu president."

His People's Party was founded in late 2011 and held its first congress on January 21, amid popular anti-austerity protests, which he strenuously sought to exploit. Although he boasts of having the highest membership of any political party in Romania, his party functionaries and officials are largely drawn from disgruntled former officials of the remaining bourgeois parties. The party's program combines ultra free-market policies with populist measures and money handouts. Diaconescu speaks openly for a sector of the Romanian bourgeoisie, promoting nationalism and calling for a greater involvement of Romanian capitalists in economic life.

In his campaign to take over Oltchim he received the backing of the unions, holding several meetings with their leaders during the negotiations. He was accompanied by union officials to the bank when he ostentatiously withdrew money for salaries, in order, he said, to "have the negotiations without pressure from the street." The local trade union leader at the Oltchim plant, Corneliu Cernev, who took the post after workers ousted former head Mihai Diculoiu, told workers that layoffs will be necessary in order to make the plant profitable.

A recent poll on September 24-26 by the Center of Studies and Research Infopolitic showed that the People's Party is polling at 18%, behind the USL but ahead of the conservative opposition, a growth of 7% from the 11% in the August 25-September 5 period.

The fact that such a party has managed to capitalize on popular opposition and pose as anti-establishment is entirely the result of the policies of the nominally left PSD and its middle class hangers on. Ponta's own commitment to austerity and his determination to enforce the latest rounds of attacks on workers has also served to push the conservatives even further to the

right. They have rallied various fringe groupings and formed The Right Romania alliance, based on a blatantly anticommunist and law and order platform. One of their new leaders, Mihail Neamtu, is a former contributor to a neo-fascist magazine.

Ponta announced that the privatization process will be resumed next year and that until then a "special administration" will negotiate with the company's private creditors. The premier made clear that some form of downsizing will begin at the plant, since he expects the new management to "reopen only divisions that can assure a realistic production."

The new union leader Cernev has offered his services to the government and to the new management. When the government's deadline for the payment of salaries passed on October 3, Cernev personally announced a new schedule and called off protests, declaring that, "the new management cannot work with 500 or 600 people at their window."

The last period has seen a series of protests by workers against the Ponta government not only at Oltchim but also at the Mechel steelworks in Campia Turzii, where workers were faced with the shutdown of the plant, and at Metrorex in Bucharest, where construction workers struck over unpaid salaries.

For their part the unions have sought to isolate every struggle in order to prevent a political mobilization against the Ponta government. Bogdan Hosu, leader of the Cartel Alfa union federation, admitted that "the situation was ready to explode" and a major demonstration of workers planned by the unions at the beginning of October in Bucharest in order to permit workers to let off steam was canceled at short notice without any explanation.



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