

Florange steelworkers betrayed by French government, unions

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Last Friday, the Socialist Party (PS) government capitulated to steelmaker ArcelorMittal, putting 629 jobs at the blast furnaces at Florange in eastern France in the balance.

French President François Hollande backed down after threatening a “temporary nationalisation” at a meeting last Tuesday with ArcelorMittal CEO Lakshmi Mittal, who intended to close the two blast furnaces at Florange by December 1. Instead, the government signed a deal with ArcelorMittal whose terms it refused to disclose. Initial reports suggest that the Florange plant will proceed with plans for “voluntary” redundancies, however.

The government also announced plans to invest an unstated amount in the plant, in connection with a European project called UCLOS (Ultra Low Carbon Dioxide Steelmaking) which allows for a 50 percent reduction in carbon dioxide pollution and higher profitability. This is to start at an unspecified future date. Meanwhile, the blast furnaces remain cold. Prime Minister Jean-Marc Ayrault announced Mittal had agreed to invest €180 million (US\$235 million) in the plant.

Florange steelworkers reacted to the deal by calling it a betrayal. They are justifiably sceptical of Mittal’s promises, which have proven to be false in the past. In 2008, Mittal promised the previous president Nicolas Sarkozy an investment of €320 million in the sister plant at Gandrange, which never transpired. He closed the site with thousands of job losses.

The PS and ArcelorMittal are now closing ranks, trying to promote the agreement. Local PS deputy Michel Liebgott called the deal “good news even so,” while ArcelorMittal praised it as “a good agreement”, stressing that the workforce will be cut based on an agreement negotiated with the unions “on a voluntary

basis”.

The unions have not repudiated this claim. The *Force Ouvrière* (Workers Force) union leader for the engineering industry, Frédéric Souillot said he was “satisfied” with the deal.

Edouard Martin, the PS-linked French Democratic Labour Federation’s (CFDT) site representative, accused the government of “lying all along,” by saying that “the nationalisation was a done thing”.

This outcome exposes the political bankruptcy of those who claimed that the PS, or Industrial Recovery Minister Arnaud Montebourg—who led the negotiations with ArcelorMittal and proposed the “temporary nationalization” plan—could be pressured to help the workers. He claimed there were two potential buyers, to whom the state could sell the plant after temporarily acquiring it.

The unions and political parties of the right and the bourgeois “left” launched a campaign to support Montebourg’s plans for “a temporary public takeover by the state to enable another industrial operator to maintain all activity of the site.”

Montebourg presented “temporary nationalisation” as the only solution after Mittal refused to sell the lucrative rolling mills and finished steel products activities in Florange—without which no interested buyer could be found.

Montebourg raised the issue of nationalisation arose above all because the PS is deeply unpopular, having pursued large-scale job and social spending cuts, and the ruling class fears a social explosion should it agree to the outright destruction of steelworkers’ jobs. Hollande’s ratings have plunged to 36 percent in recent polls. Unemployment figures announced for October added 71,500 more job losses, after the total number of unemployed workers in France topped 3 million in

September.

The PS nationalisation manoeuvre was a cynical attempt to present in “left” colours a policy of using state funds to acquire the firm, attach the workers, and find a new private buyer for the firm. This has nothing to do with a socialist nationalization—that is, turning the firm into a publicly owned utility that guarantees its workers stable and productive employment. Such a policy today can only be enforced through a revolutionary struggle against the bourgeoisie, as the experience with Florange has made clear.

Some 82 PS and Green party parliamentary deputies signed a letter to President Hollande in support of Montebourg’s proposal. They cited President Obama’s 2009 bailout of the American automobile industry as an example to follow: “His [Obama’s] success proves that it is by pragmatic actions and not ideological ones that we can intervene in the globalized economy.”

In fact, this letter demonstrates above all the reactionary character of Montebourg’s “temporary nationalisation” plans. Obama’s 2009 auto bailout involved closing several plants and imposing massive cuts to jobs, pensions, and wages—which were cut by 50 percent for new hires. The fact that it was taken as a model for PS policies underlines the fundamentally anti-worker character of PS policies.

The Stalinist French Communist Party (PCF) tried to promote the PS’s plans, sending a letter to Hollande supporting a takeover of Florange by a mixed private/public enterprise. It cited the “importance of this steel question for the competitiveness of our economy ... We cannot and must not allow this cynical financier carve up our national assets.”

Within a few days, however, demands surfaced for nationalization of a series of firms hit by the economic crisis. Workers in the STX-France naval shipyards, whose order books are empty and which are already 33 percent owned by the government, demanded the yards be taken out of the Korean owners’ hands and nationalized. There were also calls for nationalization of Swiss energy firm Petroplus’ bankrupt oil refinery in Rouen—after Montebourg’s plans to sell it to the Libyan Investment Authority fell through.

Workers at automaker PSA, facing 8,500 job cuts and where unions have abandoned any perspective to defend jobs, could also take up the call.

This reaction panicked the ruling class and the state.

In the space of four days, the PS government abandoned the rhetoric of “temporary nationalization” and rapidly attempted to remove the issue of nationalization from the political agenda.

Laurence Parisot, the head of the French Employers’ Federation (Medef), reacted hysterically to the “temporary nationalization” plans. “This is expropriation” she said. “All our society is built on the essential principal of the right to property.....to weaken the principle of property like that, is very serious and moreover very expensive.”

Although Montebourg had obtained President Hollande’s support for “temporary nationalisation”, the government was split on the issue. Prime Minister Ayrault and Minister of Labour Michel Sapin opposed it. Sapin commented: “What’s all this business about the state producing steel; we are not the Soviet Union”.

Government ministers also attacked Montebourg for criticizing Lakshmi Mittal for using “threats and blackmail” in negotiations and describing him as an “undesirable”—warning that this was putting 20,000 ArcelorMittal jobs at risk in France.

Montebourg reportedly offered his resignation to Hollande over the weekend, but Hollande refused to accept it.



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