

Closure of coal mines in Poland threatens 5,000 jobs

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The Polish government has unveiled wide-ranging plans to restructure the coal mining industry. The economy ministry announced last week that part of Europe's largest coal extractor, Kompania Weglova (KV), is to be wound up. Thousands of workers have protested against the decision.

According to the plans between four and five coal mines are to be shut down. An equal number are to be integrated into the state's restructuring company Spolka Restrukturyzacji Kopaln (SRK) in order to be returned to profitability. This will take place above all by the slashing of wages and benefits, as well as by work speed-up. At least 5,000 workers will lose their jobs in the process.

There are currently 30 black coal mines in Poland, 14 of which are owned by KV. According to government figures, they made a total loss of 821 million Zloty (\$230 million). The reasons for the loss were declining energy prices and some of the mines being extremely outdated.

For every ton of coal produced, KV makes an average loss of €10. KV has built up liabilities to date of €1 billion. The firm employs 50,000 workers, half of the total employed in the coal mining industry. Prior to the transition in 1989, it employed four times as many people.

The government made approximately €530 million available to rescue the indebted company. In exchange, the mines will be "restructured." According to Wojciech Kowalczyk, who leads the government's working group in this area, saving the firm was the main priority. "Today the alternatives are clear: restructuring or bankruptcy. We cannot allow a negative scenario, which would mean uncontrolled insolvency and destruction."

Under the rescue plan, KV's mines will be divided

up. The four mines considered economically unviable will be shut down. A further nine are to be restructured to operate more profitably. One mine will be sold. Further closures have not been ruled out by the government.

The restructuring of the coal industry is a further step in fundamentally changing the provision of energy in Poland. The central European country has the second largest coal deposits in Europe, but continues to depend heavily on Russian gas. Minister for state property Włodzimierz Karpiński noted in an interview with *Gazeta Prawna*, that Poland had to "consolidate" the energy sector.

The Polish energy firm Gaz-System stated recently that Poland has now doubled its capacity to receive gas from the west in order to reduce its dependence on Russian gas. Poland currently obtains roughly 16 million cubic metres of gas from Russia.

Like the Baltic states, Poland is seeking to cut its dependence on Russian energy. The right-wing government of Eva Popacz and her Citizens Platform is pushing for a hardline approach towards Russia. As with her predecessor Donald Tusk, she welcomed the overthrow of former Ukrainian President Victor Yanukovich, who was driven from power by fascist forces organised by the US and Germany.

Using the example of the European banking union, Tusk has proposed the establishment of an energy union. The goal is closer cooperation between the EU states in energy policy and the provision of oil and gas, he told the *New York Times*. This would include an EU centre that buys gas for all 28 member states, and a solidarity mechanism to assist states with gas shortages. Tusk also stated that the EU also must rely more on gas from the United States and Australia.

These plans will be combined with severe attacks on

the workforce. Opposition is therefore growing among miners. Around 1,200 workers protested at twelve locations against the closures at the beginning of the week. They called for the defence of their jobs and opposed the shift to a temporary employment agency or pay-offs. They also rejected redeployments and the elimination of early retirement programmes.

Miners demonstrated in the four communities where closures are planned, but also in Katowice, the capital of the upper Silesian industrial region. Several hundred miners have refused to leave the shafts for several days.

The workers have already threatened to expand their protests and to hold strikes, following the breakdown of talks between the government and trade unions. They warned they would occupy mines and go on hunger strike. The head of the Solidarity trade union association Piotr Duda threatened to broaden the strike to the railways and the entire energy sector.

Vaclav Czerkavski, from the ZZG trade union, declared that the trade unions were ready for further negotiations if there was no more talk about closures. “We were shocked about the closures, because the government had actually ruled out such measures,” Czerkavski said.

However, it is beyond question that the trade unions will do everything to suppress strikes. The two main trade unions in Poland, Solidarity and ZZG, part of the OPZZ association, are responsible for a number of defeats for miners. During the last major wave of lay-offs in the mining industry in 2008, they cooperated closely with the government.

The broader population has expressed sympathy for the miners. According to a survey by TVN24, 68.5 percent support the miners’ struggle. Only 15 percent were in favour of the government’s restructuring plans. The attacks on the miners are likely to become a central political issue with presidential elections due in Poland this year.



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