

Germany: Outokumpu steel plant closes in Bochum

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June 23 saw the shutdown of the Bochum plant owned by Finnish steel giant Outokumpu, yet another closure among the once numerous industrial sites in the Ruhr area. Only recently, the Salzgitter Group announced the decision to close the Hoesch sheet steelworks (HSP) in Dortmund.

Like HSP in Dortmund, the Bochum steelworks dates back over 100 years. It belonged to ThyssenKrupp until 2012/13, when the Finnish group Outokumpu, the world's largest stainless steel producer, bought up the entire stainless steel division of ThyssenKrupp, including the Bochum plant.

The rump workforce that was still employed at the plant, consisting of about 230 employees, have mostly been dismissed. Eighty staff have left on early retirement; 40 others, including many apprentices, were dismissed without further support. Around 120 remaining workers are decommissioning the plant before they too must go.

In 2012, when Outokumpu acquired the plant, there was a 450-strong workforce. However, under a "social plan" that the IG Metall union and the works council had worked out with the company, most of the workforce transferred to other corporations and companies, mainly to the Duisburg plant of the ThyssenKrupp Group.

IG Metall and works council representatives have shed crocodile tears over the closure of the plant, something they themselves have agreed. The IG Metall Bochum district chair, Eva Kerkemeier, described the closure as an "insane tragedy" and a blow to the workers. The deputy chairman of the works council Frank Klein added, "It was very emotional."

In reality, the shutting of the plant was a forgone conclusion and followed a well-known script. In this, IG Metall and the works council have played the key

roles. Their job was to keep employees quiet with vague promises of job security, while the plant was closed in installments.

IG Metall and the works council pushed through the acquisition of the site by Outokumpu three years ago against the protests of the workforce. When it became known that the sale was to be followed by a reduction of 1,500 jobs in Bochum and at other plants, workers in Bochum and Krefeld took spontaneous strike action. At the time, IG Metall and works council representatives organized a demonstration in Bochum in which 3,000 workers participated. For IG Metall and the works council, however, this demonstration was not the starting point for defending jobs, but for cooperation with the new employer in the reduction of jobs.

Four days after the demonstration, the IG Metall representatives on the ThyssenKrupp Supervisory Board gave the green light for the sale of the stainless steel division to Outokumpu, the first step in the now completed closure of the Bochum plant. The IG Metall and the works council concluded a production location and job security agreement with ThyssenKrupp and Outokumpu, in which the closure of the Bochum plant was agreed for the end of 2016. At that time, the IG Metall claimed it had been given a commitment by the company that it would forgo compulsory redundancies until the end of 2015. But to keep the workforce quiet, the union said there was still hope, and consideration would be given internally in 2015 as to whether the closure was economically necessary.

In June 2013, the company announced short-time working and argued that this step was because of the difficult market situation. Concerns once again circulated in the plant about jobs. In response, the works council and IG Metall agreed to worsening working conditions. Frank Klein, then works council

chairman, justified this saying, “The alternative would have been that around 90 jobs would have gone at the plant.” The works council rejected launching a fight against the attacks.

Only a few months later, in October 2013, Outokumpu announced the reduction of 3,500 jobs worldwide. Then it was said that the factory in Bochum would close in 2014, one year before the supposed internal audit. The North Rhine-Westphalia district head of the IG Metall, Knut Giesler, spoke of a “provocation that we will not tolerate.” The valid 2012 contracts “should simply and clearly be observed”, Giesler said at the time. Once again, the union officials and works council representatives organized protests with whistles and banners to cover their role. Subsequently, IG Metall negotiated for six months with Outokumpu CEO Mika Seitovirta regarding five steel plants in Germany.

At the end of March 2014, the closure of the Bochum plant in September 2015 was then agreed. Knut Giesler expressed his satisfaction. He cynically commented on the outcome of the negotiations, which included the plant closure and the destruction of the remaining jobs in Bochum: “For employees, this means that they have certainty about the future of the production sites and their jobs.”

CEO Seitovirta was also satisfied: “This is an important milestone on our path towards sustainable profitability.” The entire Outokumpu workforce in Germany had shrunk at this time to 3,500, down from 6,000 in 2012.

Now the Bochum plant has closed its doors three months early. This was prompted by the new CEO of the German Outokumpu subsidiary Nirosta GmbH, Dr. Oliver Picht, who took over the post earlier this year. He was employed to transform the company—in his own words—from a giant tanker into a nimble motor yacht. Picht knew exactly how he should accomplish this. One of his first acts was to visit the General Works Council, where he was pleased there had been a “very good discussion”.

He justified the current closure of the Bochum plant as a “necessary step to achieve balanced production capacity within Europe.” The Europe-wide cuts program at Outokumpu will save €100 million by 2017. These plans already signal the next steps.

And they have also been long agreed with the IG

Metall. Since 2012, the Outokumpu Board has threatened the workforce with mass sackings or closure at other locations, such as Krefeld, Düsseldorf, Dahlerbrück and Dillenburg. Step by step, the IG Metall and works council representatives have signed off on the dismantling of hundreds of jobs. As part of this, workers at the individual plants have been pitted against each other. Liquid steel production had been closed down in Krefeld at the end of 2013. A year later, the company closed its Swedish plant at Kloster.

The closure of the Outokumpu steel plant in Dusseldorf Benrath in 2016 has long been approved by the IG Metall. By then, production will be shifted completely to Krefeld. In the Düsseldorf cold rolling mill, the workforce currently comprises almost 500 employees. According to the IG Metall, the closure of the plant should be carried out in a “socially acceptable” manner. Workers should continue working either in Krefeld, switch to ThyssenKrupp or take early retirement.

Of the once five Outokumpu steelworks in Germany, only the plants in Krefeld, Dahlerbrück and Dillenburg will remain. Further cuts are expected at these plant as well.



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