

# Thousands of job losses in UK steel industry

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Steel companies based in Britain have announced plans to axe thousands of jobs. Of a total steel workforce of 30,000, one in six jobs is set to be lost.

First came the closure of Britain's second largest steelworks at Redcar on Teeside, after nearly a century of iron and steel production, with the loss of 2,200 jobs. The trade unions refused to oppose the closure, restricting their campaign to a plea to the company and Conservative government to mothball the second largest blast furnace ovens in Europe. This failed after a request by Sahairiya Steel Industries (SSI) for British government help in a mothballing was rejected.

Mothballing would have saved just 500 jobs. Redcar had been mothballed five years by Tata Steel. SSI, Thailand's largest steel company, took over in 2011 and production began again in 2012.

After the rejection of government aid, SSI filed for receivership, claiming it could no longer keep pace with business commitments. The main steel unions, Community, Unite and the GMB repeated their customary pro-business objections, centring on condemning cheap steel imports from China and the high level of taxes placed on UK steel manufacturers. The unions demanded a meeting with Members of Parliament, steel company employers and representatives from the government to discuss the ongoing crisis in the steel industry.

The meeting, held in Rotherham in South Yorkshire on October 16, was attended by Business Secretary Sajid Javid. In July, Tata Steel announced that 720 jobs would go at more than two plants, in Rotherham and Stocksbridge, also in South Yorkshire and at Wednesbury in the West Midlands.

Javid promised that the government would set up "working teams" to look into the problems facing Britain's steel industry. Prime Minister David Cameron promised to discuss Chinese steel exports to Britain during this week's state visit to the UK by Premier Xi

Jinping.

During the Rotherham meeting, news broke that Tata Steel were planning to cut a further 1,200 jobs in the UK. On Tuesday, it was announced that 900 jobs would go at Tata's plant in Scunthorpe, England. Two Tata plants in Scotland, Clydebridge in Rutherglen and the plate mill at Dalzell in Motherwell, are to close with the loss of 270 jobs. This ends 143 years of iron and steel production in Scotland.

A spokesperson for the Scottish National Party government said that "in the unfortunate event of any redundancies" they were "ready to offer support for affected employees and to work closely with the company and workforce representatives to provide a tailored package of support, should this be required."

On Monday, Caparo Industries, owned by the Labour peer Lord Paul, announced that it was filing for receivership. This threatens a further 1,700 steel jobs at its 20 sites across Britain if the company cannot be sold.

Earlier this year Tata was expected to sell its Long Products division at Scunthorpe to the Klesch Group. The Community union helped to speed the proposed sale by hiring the French industrial consultancy company Syndex to investigate how Tata could increase productivity.

After the breakdown of the deal on August 4, Community and Syndex discussed with Tata the possibility of forming a stand-alone subsidiary for its Long Products division under the Tata umbrella. In an attempt to sell the setup to its members, Community claimed that Syndex "had a good track record of protecting workers."

The announcement of the latest redundancies was timed to coincide with the state visit of Xi Jinping. UK Steel and its affiliated companies have long demanded from the British government and the European Union a "level playing field" on which to compete.

The unions also aim their fire at China for “dumping” excess steel production in Europe. Over the past year, a glut of cheap Chinese slab steel has slashed the price of the product from \$500 a tonne to around \$330.

Labour’s stance echoes that of the trade unions and is limited to calls that the government subsidise the industry. They both call for a “level playing field” in which British steel workers are pitted against workers in other countries in a race to the bottom.

On Monday, Labour Party leader Jeremy Corbyn held a private meeting with Xi. Without giving any details, the party said he raised the issue of the impact of cheap Chinese steel imports on the UK steel industry.

Following the news that Redcar had gone into administration, Corbyn and his Shadow Chancellor John McDonnell stepped up their calls for the British government to intervene to save the steel industry. McDonnell said, “The minimum the government should be doing is at least mothballing the plant...”

Last week McDonnell cited the Redcar job losses as the reason why Labour had decided not to support the government’s Fiscal Charter, central to which is a block on future governments making infrastructure investments.

On Tuesday, UK Steel Director Gareth Stace said, “We must ... see a commitment from all parts of government at the highest level to ensure the sector’s survival in the UK.” He demanded Cameron “lead this commitment by stepping in this week and pressing the Chinese premier about the dumping of under-priced steel, which is one of the major factors killing our industry.”

In a separate statement UK Steel warned of “vital national assets that could be lost” as a result of the closures. It noted that the Dalzell site is the only plant in the UK “capable of rolling and processing the steel used in Trident [nuclear weapon] submarines and the MoD [Ministry of Defence] special Armour plate. If the plant is lost the UK faces the prospect of building the next Trident fleet using imported steel.”

The response of the unions to the decimation of jobs and communities reliant on employment in the industry is to hold back any joint struggle by workers in opposition to these attacks. They are opposed to mobilising workers throughout the industry to stop the job losses. Instead, they respond in unison with the employers and UK Steel.

Commenting on the Tata job cuts, Community’s Paul McBean said, “If we all worked for nothing here we could not compete with the prices they’re (the Chinese) dumping it on our shores for.”

Given the record of the unions, they would do everything possible in order to get costs down to compete with Chinese prices. He said, “The workforce has done everything we can in recent years to make a success of the business and give us the chance of a future.” But for now, said McBean, “Give us a level playing field and these guys here will compete with the rest of the world.”

The protectionist policies proposed by the unions can only fuel a trade war that will end in further cuts.

Workers in Scunthorpe, Yorkshire and Scotland face the same attacks as steel workers in all countries, including the Chinese workers, who work for a pittance in abysmal labour conditions.

Steel workers in Britain can only oppose the decimation of their jobs and livelihoods by rejecting the class collaboration of the trade unions. They must organise themselves independently in the struggle for a workers’ government that would take key industries into social ownership, based upon the socialist principle of production for need, not profit.



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