

# Protests erupt in New Caledonia over sale of nickel mine

**John Braddock**  
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Roadblocks established by protesters in the French Pacific territory of New Caledonia have been lifted after demonstrations and riots over the sale of the Vale nickel plant had cut key roads in the capital Noumea last week.

Last month, French Overseas Minister Sebastien Lecornu declared France would not tolerate what he called “a mess” in the territory as rallies and blockades began over the planned sale of the plant. Speaking in the National Assembly in Paris, the minister said no one should have any illusion that protesters can “do whatever they want.”

The leadership of the main pro-independence group, the Kanak and Socialist National Liberation Front (FLNKS), shut down further protest action this week after agreeing to join talks with Lecornu and the anti-independence parties over the sale, having previously refused to talk.

Protests erupted again on November 8 and 9, with cars torched, shops vandalised and people injured in clashes with police. Videos posted on social media showed police firing teargas and cars burning. Twelve people were arrested. French riot police were deployed in several areas while an elite squad was sent to the Vale plant, which was damaged and forced to shut.

The protests, which caused the cancelation of international flights and closed the SLN-owned Thio mine, prompted the anti-independence parties, led by President Thierry Santa, to organise a large counter march in central Noumea last weekend.

Brazilian-owned Vale has repeatedly threatened to shut its Goro plant, which would result in thousands of job losses within the company and the wider economy. Vale eventually signed a binding agreement this month to sell to an international consortium, Prony Resources.

Indigenous Kanak leaders and pro-independence

parties, backed by the trade unions, have supported a bid by local company Sofinor in partnership with Korea Zinc Co, arguing that majority ownership of the mine should rest with New Caledonians. Sofinor is the financial arm of the pro-independence Northern Province. Protests escalated after Korea Zinc pulled out claiming it could not get access to the site to do its due diligence.

The Sofinor bid was rejected by Vale and the French overseas ministry, which recognised the Prony consortium as the only viable option. Nickel is critically important in the defence industry, and has been designated a “strategic material” by Paris to ensure the French state can maintain a close watch over its production and distribution.

The Prony deal includes a 50 percent holding by local stakeholders, with 25 percent held by other undisclosed investors. It also provides a 25 percent stake to Trafigura, a Swiss commodities trader recently investigated by US authorities for alleged corruption in oil trading. The company has been involved in other scandals including dumping toxic waste in the Ivory Coast, which caused a public health crisis that affected more than 100,000 people.

Goro is the world’s fourth-largest nickel ore producer and the region’s costliest industrial installation, directly employing 3,000 people. The industry is the territory’s biggest private sector employer, accounting for a quarter of all jobs. With the exclusion of tourism, nickel ore and derived metallurgical products represent about 97 percent of the total value of exports and 80 percent of foreign exchange earnings.

The dispute over the Goro mine sale erupted alongside the recent independence referendum, the second of three projected plebiscites. In October, the territory voted by a 53.3 to 46.7 percent majority in

favour of remaining a part of France. Support for independence appears to be growing with a final referendum due in two years.

The conflict over ownership of the Goro plant between the pro-and anti-independence factions of the ruling elite has nothing to offer the working class. While the FLNKS calls for independence from France, it represents the interests of a relatively privileged layer of Kanaks who are seeking a larger slice of the economic pie and greater political say.

The nationalist movement—formed by a layer of educated Kanaks radicalised while studying in France during the late 1960s—dropped its socialistic phrasemongering following the 1988 Matignon Accord with Paris, which set aside the independence issue for 10 years, in return for political and business opportunities.

As elsewhere, the globalisation of production has completely undermined the program of national economic regulation on which nationalist movements such as the FLNKS were based. The tiny island states in the Pacific that were granted nominal independence in the 1970s and 1980s are completely dependent on the major powers economically and strategically.

Vale has lost billions with its New Caledonia plant, which has run at a deficit for 15 years. During 2015, the price of nickel on the world market fell by more than 40 percent, ending the year at \$US8,100 a tonne. This was below the cost of production for more than two-thirds of the world's mines. The New Caledonia industry recorded losses of \$US1 billion for 2015 alone. According to Bloomberg, the Goro mine produced at a cost of \$US20,000 per tonne that year.

There is also widespread opposition, particularly among youth and the local Kanak population, to the unregulated activities of the mining companies that cause major environmental degradation, often on traditional native lands. In 2014, the Goro plant was shut for three weeks after 100,000 litres of effluent containing acid entered a creek, killing about 1,000 fish and sparking protests at the mine site.

The oppressed Kanaks, who make up 44 percent of the territory's 270,000 population, invariably bear the brunt of destructive corporate activities. Under French colonial rule, the Kanaks are socially disenfranchised and many still live in primitive, subsistence circumstances in rural villages. Noumea is a polarised capital, where many low-paid workers live in slum

conditions.

Whoever ends up owning the Vale plant will inevitably carry through an assault on jobs and working conditions to restore profits. The drive to austerity is further intensifying under the impact of the COVID-19 pandemic, which is devastating the economies of all the Pacific states and territories.

Broad sections of the New Caledonia working class, including miners, processing workers, truck drivers, airport workers and others have engaged over recent years in militant struggles to defend jobs and conditions, bringing them into conflict with the entire ruling class.

Invariably, these struggles have been sold out by the trade unions. Workers cannot fight to defend their jobs, working conditions and social rights, however, within the straitjacket of the “pro-independence” parties and the corporatist trade unions, which accept the entire framework of profit accumulation, austerity and the capitalist nation-state system.

What is needed are workers' committees, democratically controlled by the workers themselves and independent of the political establishment. These must be guided by a socialist and internationalist program, to unite workers throughout the Pacific, in France and other countries, in a struggle for a planned world economy and a workers government, based on meeting human needs, not protecting the positions of the wealthy elite—including the privileged indigenous layers and rapacious corporations.



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