Steel tube manufacturer Vallourec closes plants in Germany, France and the UK

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Last Wednesday, the Vallourec steel pipe manufacturer announced what thousands of its workers had long feared. The multinational, which produces seamless tubes mainly for the gas and oil industry, is closing its plants in Düsseldorf-Rath and Mülheim/Ruhr, destroying about 2,400 jobs at these two sites alone.

Production of seamless pipes in Western Europe is to be halted completely. About 1,650 workers are affected in Düsseldorf and 750 in Mülheim. In addition, the closings will hit the many employees in subcontracting firms.

The two plants being closed in Germany used to belong to the Mannesmannröhren-Werke, which has a long history. The Düsseldorf plant in the Rath district has existed since 1899, while the Mülheim plant has existed since 1966 and is the second largest industrial employer in the city after the Siemens Energy plant.

The Mannesmann Group was taken over and broken up by Vodafone in 2000. A cooperation between the tube works and Vallourec has existed since 1997, when the joint venture Vallourec & Mannesmann Tubes (V&M Tubes) was formed. In 2005, Vallourec acquired the Mannesmann shares. In 2013, the German corporate unit became Vallourec Deutschland GmbH.

Vallourec is a classic multinational. The corporation owns 50 production facilities in over 20 countries with 20,000 employees; its headquarters are in France.

The closure of the factories and the destruction of many thousands more jobs in subcontracting firms are part of a worldwide rationalisation programme, as is currently being prepared and implemented in many corporations. Global corporations are reacting to the international economic crisis and the growing competition on the world market by lowering labour costs or relocating production to low-wage countries with the lowest social standards.

In the process, the international banks and big investors set the tone. Production is trimmed for profit and increasing shareholder value. The pandemic and NATO's proxy war against Russia serve as a pretext for a frontal attack on the rights and living conditions of workers, who are paying with job losses and inflation for massive rearmament spending, war and the enormous enrichment of the corporations and the super-rich.

The trade unions have nothing to counter this attack except feigned indignation and toothless protests. They act as accomplices of corporate management and offer them "alternative rationalisation programmes." They want to prove that, with their help, exploitation can also be drastically intensified on the home soil.

This can be seen all too clearly in the case of Vallourec. The closure of factories in Germany also means the closure of the plant in Saint-Saulve in northern France, with 100 jobs, where the tubes produced in Düsseldorf and Mülheim are reworked. Ten years ago, there were 1,000 jobs there, which were gradually cut with the help of the trade unions, employing the usual salami tactics.

One of the group's sites, in Bellshill, Scotland, with 70 jobs, will also be closed. Production there is to be moved to Aulnoye in France, on condition that the company is then profitable and that appropriate sales markets are developed. Secondly, the company wants to introduce "additive manufacturing" and install robots to produce steel parts in small batches or, as with 3D printers, on a custom basis.

According to the French press, Vallourec also wants to rationalise its research and development department by merging it into one site in Aulnoye, cutting 100 jobs. About 60 other jobs are to be cut at the group's headquarters near Paris. In total, 300 jobs will go in France as part of a plan to "safeguard employment."

Worldwide, 2,950 jobs will be lost because of the measures now decided by the Vallourec board, mainly in Europe. The number of employees will drop from 17,000 to 14,000. In France, about 1,300 jobs will remain at Vallourec.

At the same time, the company is building a new production facility in Brazil to supply markets in the Middle East and a plant in Ohio in the US to supply drilling sites for the extraction of shale oil and gas (fracking) in the North American market.

Workers at the Vallourec plants have been concerned about their jobs and livelihoods for months. In November last year, management had announced the sale of the tube plants in Mülheim and Düsseldorf, which had accumulated losses of €700 million since 2015. Some financial investors had showed interest in the plants but did not want to pay anything for them. Instead, they demanded sums running into hundreds of millions of euros for the takeover, for example, for company pensions and other company commitments.

Vallourec CEO Philippe Guillemot justified the closures by saying they had not found a buyer for the plants with a sustainable plan; to avoid further losses, they therefore had to be closed. He claimed that sites in Western Europe were no longer profitable in the face of competition from Eastern European countries with much lower wage and production costs in the manufacture of pipes

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for the Middle East or other regions.

The role of the IG Metall union

Just two days before the closure was announced, IG Metall organised a convoy of about a thousand workers from Germany to Paris to protest in front of Vallourec headquarters.

Instead of organising joint action with French workers who are also losing their jobs, IG Metall officials delivered pathetic funeral speeches and bemoaned the owners' profit lust and the king-of-the-castle stance of the decision-makers, with whom they closely collaborate. The union bureaucrats' cowardly prattle is designed to spread hopelessness and demoralisation.

The globalisation of production and the systematic division and blackmail of the workers means the trade union policy of "social partnership" (i.e., collaborating with the employers) is proving completely bankrupt. To prevent the relocation of production, the works councils and trade union officials try to undercut the extreme exploitation in the low-wage countries by proposing their own rationalisation measures and social cuts. In this way, they set in motion a downward spiral in which the corporations and their shareholders earn handsomely.

At Vallourec, too, IG Metall and the works council had actively supported the downsizing plans from the start. They even commissioned a consultancy firm to draw up their own continuation concept for the plants, which they presented as an alternative to the sale planned by management. According to this concept, production at the German plants was to be oriented towards future markets around hydrogen, geothermal energy, offshore wind plants and solar technology.

This concept, which was also supported by the German management, as Labour Director Herbert Schaaff told the WAZ, still envisaged the elimination of 700 to 800 jobs, while at the same time increasing turnover by 10 percent within the next five years!

The whining of the works councils, that "even this plan is now wastepaper," is pure hogwash. It merely served as a stalling tactic to prevent a fight for the unconditional preservation of jobs. This is known from numerous similar cases in the past. The Opel plants in Bochum, which at their peak employed 20,000 workers, were shut down in a similar step-by-step method with the collaboration of IG Metall.

Anger boiled over at a works meeting of both plants held on Friday in the ISS Dome in Düsseldorf. The Vallourec management, which had travelled from Paris to justify the closure decision, was greeted with a sustained shrill chorus of whistles; the CEO's speech was constantly interrupted by boos and heckling. Finally, the event was abandoned, and the management left the hall through the back exit under police protection.

"At the moment, it is completely unclear how production will continue at the two sites until the end of next year in this emotionally charged situation," commented broadcaster WDR. "It seems possible that there will be a strike."

Industrial action—a strike or occupation of the plants—is indeed the only way to defend jobs. But that requires a complete break with IG Metall and its works council representatives. Even if they feel forced to organise a few more symbolic protests, they will do everything to stifle any serious fight.

The Ruhr area—from Dortmund (Hoesch) to Bochum (Opel) to Duisburg-Rheinhausen (Krupp)—is full of industrial ruins where tens of thousands once worked. Many had fought bitterly to defend their jobs, but the IG Metall and its works council representatives sabotaged workers' resistance each time.

For this they were handsomely rewarded. The most famous case is that of Oliver Burkhard, who headed the IG Metall district of North Rhine-Westphalia from 2007 to 2013 before moving to the board of steelmakers thyssenkrupp as personnel director on a salary of millions. Since May 1 this year, Burkhard has had another job: he remains a board member of thyssenkrupp and additionally now heads the defence company thyssenkrupp Marine Systems, Europe's leading systems supplier for submarines and naval vessels, as CEO.

While workers were raging with anger, all that could be heard from union officials and politicians was the usual demoralised whining. The director of IG Metall Düsseldorf-Neuss, Karsten Kaus, told dpa that they had tried everything to follow the sales process. A continuation concept had also been developed with the works council and a consulting firm. "In the end, none of this came to fruition."

The IG Metall secretary in Mülheim, Dirk Horstkamp, told WAZ: "There is a lot of consternation here. It's really hard how Vallourec treats the people here," he said, and the workforce had put everything on the line.

Workers must reject this cowardly talk with contempt. It is necessary to break out of the straitjacket of the trade unions and organise independently of IG Metall and the works councils in rank-and-file action committees. The first task of these action committees is to make contact with colleagues in France, Scotland and other countries to organise joint industrial action to defend all jobs unconditionally.

The closure and retrenchment plans of Vallourec and the unions must not be accepted. The interests and needs of the workers must come before the company's drive for profits.

To wage this struggle, it is necessary to build the Sozialistische Gleichheitspartei (SGP, Socialist Equality Party) and organise this struggle based on an international socialist programme. Get in touch with the SGP! It supports the building of independent action committees and helps to make international contact with workers in other countries and other factories also affected by closure. Send a WhatsApp message to: +491633378340.

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