

# 3,000 job losses planned at Tata Steel as company receives £500 million subsidy from UK government

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Three thousand jobs are being cut at Tata Steel in the UK “within months not years.” Two thousand will go at Port Talbot in Wales, the largest steel-making plant in the UK, with a further thousand across Tata’s six other UK plants—almost 40 percent of the workforce.

Thousands of local jobs, especially around Port Talbot, in subsidiary industries and supply chains are also threatened, as are small businesses ultimately reliant on wages paid to Tata workers.

The jobs bloodbath is part of a restructuring plan conceived between Tata and the Conservative government. The corporation will receive a government subsidy of almost £500 million towards a £1.25 billion purchase and installation of two electric arc furnaces at Port Talbot.

Tata executives freely admitted they have worked the existing blast furnaces to the end of their profitable lifespan. The UK government has given them a half-a-billion-pound helping hand to have them replaced and keep the profits flowing. Overall, the Tata Group—with subsidiaries in iron, steel, textiles, tea, automotive and aviation production—is worth an estimated \$311 billion.

British Chancellor Jeremy Hunt recently told the *Financial Times* that the UK’s industrial strategy would not entail big state handouts across the economy. True to his word, they are reserved for the major corporations and the super-rich, while Tata workers get redundancy notices.

The subsidy comes just a few weeks after the government handed Tata another £500 million to build a “gigafactory” manufacturing vehicle batteries for Tata-owned carmaker Jaguar-Land Rover. Ministers are engaged in separate discussions with British Steel over its own £500 million package.

Port Talbot’s current blast furnaces are coal-powered

and produce virgin steel. The new electric furnaces are less labour-intensive and can be powered by less-polluting fossil fuels or renewable energy sources. They produce recycled steel from scrap metal, which is readily available in the UK.

Tata Steel and the government have inevitably tried to dress up the move as part of a shift towards a greener economy. But the replacement of the two furnaces will only “reduce the UK’s entire carbon emissions by around 1.5 percent”. Meanwhile, Prime Minister Rishi Sunak is reneging on already inadequate targets for UK carbon emissions reductions and handing out new oil and gas licenses like candy.

Blast furnaces will be kept in operation at other Tata UK facilities and other steelmakers, since the new electric furnaces cannot reach the temperatures required to produce the same quality steel.

The government’s real motivation, besides protecting profits, was spelled out by Tata’s statement welcoming the subsidy, which noted the project would “bolster the UK’s steel security.”

A UK-based steel industry is central to the geo-political designs of British imperialism, which is heavily involved in supplying the NATO war against Russia in Ukraine and preparing a rapid expansion of its own military to participate in the escalating conflicts with Russia and China.

If Tata had sought to sell their UK-based operations but no private buyer could be found, or threatened to close their steel production facilities, the UK government would have foregone its devotion to the free market and nationalised such critical industrial facilities.

The trade unions are playing a politically criminal role, accepting job losses as a *fait accompli* while trying to secure a place at the table with management—under the fig

leaf of urging no compulsory redundancies. They have overseen a staggering decline of the industry over the past 50 years, from 300,000 workers in the 1970s to just over 33,000 in 2021. One strike after another was sold out following the betrayal of a near-14-week national steel workers' strike in 1980, paving the way for waves of redundancies and below-inflation pay deals.

When the latest job losses were announced last Friday, General Secretary of the steelworkers' union Community Roy Richus responded, "Unions should have had a seat at the table throughout this process". Community's Assistant General Secretary Alasdair McDiarmid said likewise of the failure to include the union bureaucracy, "Tata and the Government should have consulted with the unions well in advance of the announcement".

Neither uttered a single word about fighting the redundancies. The word "strike" never crossed their lips.

Trades Union Congress (TUC) General Secretary Paul Nowak was the same: "Ministers must press pause and urgently get around the table with unions. It beggars belief that they have been locked out of talks."

This Tuesday, the unions got their wish, with Tata executives meeting representatives of the Community, GMB and Unite unions and allowing them sight of the plans to close Port Talbot's blast furnaces as soon as January 2024.

Fresh from talks with the company planning 3,000 job cuts, the union bureaucrats were much happier.

Charlotte Brumpton-Childs, a GMB national officer, said, "Today's meeting with Tata bosses was the first step in the long process of consulting meaningfully with our members over steel job losses." A spokesperson for Community propagandised, "We want to work with Tata and the government to deliver a decarbonisation strategy that respects our red lines and crucially protects our members' jobs through ensuring a just green transition."

Ensuring a "just green transition" is not a matter of polite discussion with shareholders and executives, but of class struggle. Left in the hands of the corporations, the move to greener production will be used to increase profits at the expense of jobs and wages. Workers must fight to make the super-rich pay for new technologies and reduced emissions.

In the hands of the unions, "green" talk is just an attempt to prettify the company's plans and pacify opposition. They do not want a struggle because, like the government, they are totally committed to securing Britain's military-industrial base.

Last week, delegates at the TUC's congress

overwhelmingly backed a GMB motion supporting British imperialism's involvement in the NATO war effort in Ukraine, calling for "financial and practical aid from the UK to Ukraine" and "The immediate withdrawal of Russian forces from all Ukrainian territories occupied since 2014"—including Crimea and the eastern Donbas regions.

The congress before, the TUC backed another GMB motion declaring, "Congress ... recognises that defence manufacturing cuts have hindered the UK's ability to aid the Ukrainian people under brutal assault from Putin's regime. Congress believes that the world is becoming less safe and the policy carried in 2017 in favour of diversifying away from defence manufacturing is no longer fit for purpose."

Reacting to the Tata job losses, GMB General Secretary Gary Smith commented in this vein, "Our country cannot be secure without a functioning domestic steel industry."

Events at Tata Steel show what the militarist position of the trade unions means for the working class: subjecting workers simultaneously to the profit demands of the corporations and the military and economic war drive of British imperialism, while the unions forcibly keep the industrial peace.

The *World Socialist Web Site* calls on Tata Steel workers to prepare a struggle to defend every threatened job against the machinations of the company, the government and the unions. Workers must place their trust in their own strength and those of their colleagues throughout the steel industry and all of Tata's operations internationally. Rank-and-file committees should be formed at Port Talbot and all Tata plants to democratically organise this work. Contact the International Workers Alliance of Rank-and-File Committees for assistance today.



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