

Mittal's gain: workers' pain

On the 11 February, ArcelorMittal management are due to announce the dividend for shareholders. Owning just under half of the company's shares, CEO Lakshmi N. Mittal has a personal interest in maximising profits and dividends.

While the UK's richest man is gaining another billion and more, his workforce is being asked to pay a high price.

At the end of 2008, the company announced 9000 job cuts, 6000 of them in Europe. This it seems is just the beginning. The real size of the restructuring plan is only filtering out of central management in a fragmented manner through workplace announcements and increasingly unilateral measures.



Why all these job-cuts? Is ArcelorMittal a company in crisis?

Steel production has been hard hit by the global economic crisis, but has the company used all tools to overcome the current crisis in order to protect jobs rather than just profits? Reduced production in recent months has largely been the result of a company decision to maintain falling prices for steel products in the context of reduced demand – to maintain profit margins and dividends.

ArcelorMittal is the world's leading steel company. At the end of 2008, while announcing the job losses, shareholders made \$2.3 billion (29% more than 2007) – half went to Mr Mittal's pocket.

Making structural changes, by mothballing industrial sites and losing skilled workers, is totally unacceptable to the EMF. In a period of high uncertainty for European workers, the EMF wholly rejects the use of the current economic crisis to put in place far-reaching restructuring plans without justification.

Demands for more flexibility, by increasing the number of precarious workers, in this context can only be seen as a cynical attempt by the management to take advantage of the weakened position of his workforce.

During the current reduction in steel consumption, ArcelorMittal must enter into dialogue with the EMF, unions and shop stewards with a view to guaranteeing the following:

1. to retain the current workforce in order to be prepared for the recovery in demand;
2. to commit to negotiated solutions and no compulsory redundancies;
3. to compensate for loss of salary in case of temporary lay-offs/short-time;
4. to compensate workers fairly for productivity gains achieved by the group;
5. to maintain the skills, knowledge and human capital of the group, including replacing retiring workers with new staff and maintaining apprenticeships;
6. to use periods of lower production to invest in workers' education and training to ensure long-term employment security;
7. to use periods of lower production to invest in renovation and upgrading of machinery and production facilities, to maintain the viability of sites, in cooperation with subcontracting companies; and
8. to develop clear industrial plans for the de-mothballing of industrial sites and blast furnaces.