

# Italian steel work faces closure or sell-off

By Marianne Arens  
8 February 2016

The Italian government is seeking a buyer for the steel corporation Ilva and its largest factory in Taranto (Apulia). The steel giant needs a new owner by the end of June 2016. Potential buyers have until February 10 to express their interest, Industry Minister Federica Guidi said on January 4.

With 12,000 employees, Ilva is the third largest steel corporation in Europe. Another 8,000 workers are employed by subcontractors. The 110-year-old operation, which used to belong to the state corporation Italsider, was sold to the Riva Corporation in 1995.

Ilva has been under forced administration by the government for two years. Legal proceedings against the Riva family, which owns the corporation, are currently under way due to tax evasion as well as environmental contamination which has caused hundreds of deaths. Assets amounting to 1.2 billion euros, which Riva deposited in Swiss accounts, were originally set aside for the renovation of the factory and the elimination of the worst environmental damage in Taranto but were not released by the Swiss banks and authorities.

Workers at the factories in Taranto (Apulia), Cornigliano (Genoa), and Novi Ligure face closings, layoffs and massive wage cuts. Ilva State commissioners reported on January 11 that over 3,500 employees will be laid off “temporarily.” The measures affect 1,713 workers in the strip mills and pipe mills, 831 workers in the furnaces, and 975 workers in management, repairs and maintenance.

Last year, on average 2,000 workers were temporarily released from work. These short-term steel workers received, for many years, up to 80 percent of their wages financed through the national Cassa Integrazione. Since 2005, a factory “solidarity contract” has provided a certain guarantee of jobs and income. However, starting in January 2016, the so-called *Jobs Act*, Matteo Renzi’s government labour law reform, made the special operational guarantees obsolete. Short-time workers face massive wage cuts of 20 percent and, longer term, the complete cessation of their earnings.

The planned sale will make the rehiring of “temporarily” laid off workers highly unlikely. Worldwide, there is an oversupply of steel, prices are falling and the competition is fierce. Possible interested buyers such as AcelorMittal, JSW Steel or Marcegaglia might rapidly lay off more workers or close additional plants.

The steel workers are under pressure from all sides, and the

situation will inevitably lead to explosive class conflicts.

## City hall occupation in Genoa

A protest by steel workers from Cornigliano at the beginning of the year is an anticipation of coming class struggles.

On Monday morning, January 11, 2016, 500 steel workers occupied the city hall in Genoa and demanded a guarantee of their “solidarity contract” for which they had made great sacrifices when the blast furnaces and the hot rolling mill were shut down. Since then, a cold rolling plant and two zinc coating shops are in operation in Cornigliano and 1,600 steel workers are still employed there.

A demonstration was originally supposed to lead to a prefecture but was diverted to the feudal Palazzo Tursi, the seat of the city government, at the last moment. The workers pushed on the door of the council hall with their shoulders and tried to occupy it. They repeated chants against Premier Matteo Renzi (Democratic Party/PD), and Genovese Mayor Marco Doria prevented the local secretary of the Democratic Party, Alessandro Terrile, from fleeing. Shortly before this, at a regional party gathering, Terrile had called for the removal of the special guarantees of the Ilva steel workers: “We cannot allow ourselves to increase payments for the Ilva workers,” he had insisted.

Afterwards, the combined efforts of a union secretary and Fiamma Spina, the prefect of Genoa, succeeded in convincing them to end the occupation.

The unions demanded a national round table, to which the Renzi government and the steel union would have to be invited. Maurizio Landini, head of the largest metal union, FIOM, told the press: “we demand that the government gather together unions and workers in order to discuss the future of the entire steel sector.”

The next day, Mayor Doria said that the actions of the workers had initially left him speechless. He vehemently condemned the occupation as an “attack on the democratic institution of the community of Genoa.” Marco Doria, a former member of the Communist Party (PCI), is close to Matteo Renzi’s Democratic Party. He is a descendant of the Genovese noblewoman Andrea Doria, the former owner of the magnificent town hall, which the workers had so disdainfully occupied.

Doria said with regard to the steel company Ilva that it was

“in a comatose condition.” The fall of the steel corporation had previously “only been prevented with the combined forces of the national community.” Doria claimed that the head of the government, Renzi, would ensure that when Ilva was sold, “the protection of today’s jobs” would be ensured “by the introduction of a social clause.”

### **The myth of the Riva rescue**

Doria is not the only one who is spreading the myth of an Ilva rescue by the “national community” and trying to make the state takeover sound positive. The British Labour “left winger” Jeremy Corbyn had claimed that in the matter of Ilva, one had to learn from the Renzi government. “The Italian government could have easily taught [the British] that one can intervene, either temporarily or permanently, and that there are numerous ways to rescue economic infrastructure ...”

There are as many lies as words in this statement. The Renzi government and its predecessors have rescued neither “economic infrastructure” nor jobs and certainly not the health of the workers. There is a reason why the laws, which provide legitimacy for the billion-euro tax gifts for the Ilva Corporation, are called “Riva rescue.” The government is acting in the interests of the Italian bourgeoisie and is imposing the costs on the working class.

Another striking example of the same phenomenon took place when Renzi named steel engineer Marco Pucci as the transitional general director of Ilva. Pucci was sentenced to six and a half years in prison in May 2015 because of his responsibility for the terrible accident at ThyssenKrupp eight years ago.

On December 6, 2007, seven workers were burned alive when an explosion caused a terrible fire in the ThyssenKrupp plant in Turin. The catastrophe could have been prevented through simple safety precautions, but nothing more was invested in the plant because it was slated for closure. Marco Pucci was, at that time, one of the responsible managers.

For more than eight years, the proceedings have been delayed by one or another authority. Pucci remains free to this day and is awaiting another appeal judgment. Until a short time ago, he led the ThyssenKrupp plant AST in Terni. The relatives of the dead steel workers protested against his appointment as Ilva general director and shortly thereafter Pucci resigned his post.

### **Workplace accidents**

This case highlights the attitude of the government to the life and health of the steel workers. In the two years in which Ilva has been under state oversight, the government has not lifted a finger to solve the environmental problems or to improve plant safety. Quite the opposite: scarcely at any time in the past have there been so many workplace accidents.

Angelo Iodice (54), steel worker and security officer, died on September 4, 2014, when a transport carriage came loose from its anchoring and rolled over him. Alessandro Morricella (35)

was smothered with glowing cast steel during a routine check of a furnace. He died after four days in a coma. Only a few days afterwards, a temporary worker was scalded by hot steam.

On November 17, 2015, Cosimo Martucci (48), a temp agency worker, died after being hit by a steel pipe that had fallen from the hook of a long haul truck. Only hours later, there was another accident in a continuous casting hall in which, luckily, no workers were hurt.

A similar accident, which recalls the accident at ThyssenKrupp in 2007, took place only a week before. On January 14, 2016, there was an explosion in the continuous casting plant, which led to an emission of 20 tons of fluid steel. Surprisingly, no one was hurt.

A worker reported: “First we heard a roar and then saw flames coming out of the 1,600 degree steel until it was about three meters away from us. A co-worker fell while we were running away.”

The security guard who sent the shocked workers to a sick station, reported that tears were running down their faces. “It is impossible to imagine what would happen if the explosion had taken place on the other side of the hall where the workers were standing,” he said. He blamed the corporation, which had not carried out any security measures and had drawn no conclusions from a related incident on November 18, when an almost identical accident took place in the same department.

This same inhumane attitude is also evident in the treatment of steel workers, their families and the entire city of Taranto. The Ilva steel plant has been allowed to perpetrate an environmental catastrophe of the first order there without any opposition.

When the EU Competition Commissioner initiated an investigation of the Italian government on January 20, because it had bailed out the steel company Ilva with two billion euros, Minister Guidi answered that the main reason this money was paid was to deal with the “environmental emergency.” But the residents of Taranto have not seen any change: streets, squares, cars, gardens, school yards and kindergartens are still covered with red dust. The emissions from the factory are responsible for at least 400 premature deaths.

An unemployment level of over 20 percent in the region forces the steel workers to continue with clenched teeth. An Ilva steel worker summed up the dilemma faced by the workers: “Either you die from cancer here or your family must go hungry.”

To contact the WSWs and the  
Socialist Equality Party visit:

<http://www.wsws.org>