



Case study summary sheet : ARCELOR Liège

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- ✓ Worldwide metallurgy has recently seen strong activity related to the highly sustained growth in emerging economies whose strong demand is directed to the worldwide producers. The sector is undergoing consolidation: the constitution of ARCELOR was one step in this direction and the trend is continuing, as can be seen in the famous buyout underway between MITTAL and ARCELOR (merger) to form the largest group in the world. The most recent technological developments are characterised by a decrease in the traditional integrated "cast iron" sectors in favour of small steelmakers geographically positioned in strategic locations (by the sea, near the demand, etc.). Among ARCELOR's industrial facilities, Wallonia (Liege) is closer to the traditional historical approach to metallurgy which no longer corresponds to the economic model sought by the group (with the group's other so-called "continental" sites in France and Germany). Starting in 1998, USINOR, now called ARCELOR, took over Wallonia's metallurgy (buyout of COCKERILL-SAMBRE), leading to a symmetrical withdrawal from the Wallonia region – and consequently of the public shareholders which had played a major protective role – as well as a major cultural change with the "francisisation" of management and labour relations.
- ✓ Restructuring metallurgy in the Liege region is part of the plan affecting all of ARCELOR's continental sites and the "hot phase" of steel production. 1,868 direct jobs were concerned, as are a large number of subcontracting jobs, in all there are 2,700 jobs that will have to be eliminated. The plan was announced soon after the constitution of the ARCELOR group in 2003. The first closings began in June 2006 and will continue over several years, since the second phase is planned for January 2009. Thus, more than two years went by between the announcement of the decision and the first site closings. This time period was dedicated to negotiations with the historically powerful trade unions at the company on the schedule and methods of social support during restructuring. The cooperative context between the actors, despite a tense situation at the start of the process, has led to commitments from the group not to force any direct redundancies and to negotiate with the public authorities to preserve the pre-pension system – a royal decree provides an exceptional dispensation for metallurgists against the elimination of the pre-pension programme – and to undertake revitalisation actions for the job basin. Overall, 2,000 pre-pensions are foreseen, as well as a vast internal mobility plan. For the moment, the concrete results of the revitalisation actions in this hard-hit basin cannot be seen and the situation is more involved in programming future operations whereas the closings have mostly been completed.
- ✓ The role of the historic shareholding by the public authorities of Wallonia in Belgian metallurgy was a decisive factor of cohesion. Their withdrawal and the management's difficult integration into the local fabric when ARCELOR was set up generated a blocked situation and disturbed the establishment of a cooperative framework for managing severe restructuring, notably with the absence of any economic debate and diagnosis shared with the stakeholders. The ARCELOR Liege case also demonstrates territorial overdetermination – a hard-hit job basin – in the results of the restructuring operation.