ArcelorMittal global HSC zeroes in on work accidents

Four years ago, steelmaker ArcelorMittal set up a health and safety committee for the entire group worldwide. Its main aim was to cut the accident toll in the 60 countries where it operates. *HesaMag* got an initial assessment from a workers’ rep on the committee.

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30 dead. That accident made company bosses in 2008 put that ambitious goal into action by spelling out the terms of a close collaboration between the company and unions. Out of that agreement came ArcelorMittal’s Joint Global Health and Safety Committee (JGHSC).

This safety-mindedness is no newcomer to the steel group’s European plants: “We have been running action programmes to improve workplace safety in Bremen using in-house and outside experts for 15 years now”, explains Michael Breidbach. “We recently set up union trainees to bring colleagues up to speed on topics like risk audits, assessments and prevention. These are key details that union representatives must be on top of because ‘they sit with management in local joint committees’, says Michael Breidbach. The JGHSC’s verdict on the Kryvyi Rih site in Ukraine was that safety standards urgently needed bringing up to date. That ranged from banning the use of mobile phones while driving inside the factory through floor markings to identify walkways in workshops to wearing harnesses for work at heights.

But the Joint Global Health and Safety Committee is not just about laying down rules. ”We regularly go out to the different sites”, says Michael Breidbach, ”where we meet with colleagues on local committees, keep a check on progress, make suggestions, discuss their problems and ensure that they are getting treated as equals”. This is not always the case - in Brazil, for example, the unions have little clout and many firms do not even have unions. The difficulty in Kazakhstan lies elsewhere, as Michael Breidbach relates: ”In the past, the unions’ job was not to improve living and working conditions, but to run workers’ holiday centres”. More than twenty years since the Soviet Union collapsed, the situation is slow to change. Michael Breidbach does not think it possible yet to talk of new unions as the old ways are still entrenched. But he is confident that things are on the move. The unions are constantly expanding their areas of action, like ensuring that colleagues have a rest room to go to instead of taking their breaks sitting on wooden crates or drinking their coffee in work areas. From what Michael Breidbach has seen, the new powers are gradually easing the unions into their new role.

He and his colleagues see the Acindar site at Villa Constitución in Argentina as exemplary. The two unions and management are working together well in the local committee in a way that the JGHSC report describes as having become a benchmark for other businesses in Latin America. It’s an example followed not only inside but also outside the company: ”The local unions were pretty pleased to see the Santa Fe regional government following suit after the creation of a local committee at ArcelorMittal Acindar and adopting similar measures for other companies”. This goes to show what union health and safety reps have long known: ”without union representation, there’s no such thing as a safe workplace”.

The tour of Vanderbijlpark in South Africa showed that safety was not just about the 250,000 company employees, but also those employed by outside firms. 40% of the workers are employed by outside contractors and often don’t have the personal protective equipment that is compulsory for all ArcelorMittal workers. The same failings were found on a visit to Mexico. ”Outside contractors’ employees were scavenging ArcelorMittal workers’ cast-off protective clothing from the bins to work in”, says Michael Breidbach. Personal protective equipment must be worn by all workers, whether employed by Arcelor-Mittal or an outside subcontractor. The site
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inspections show that this requirement is not always met. The JGHSC report is categorical: "This undermines the credibility of the management’s safety approach". The JGHSC’s suggestion is to establish uniform standards and apply best practice.

Meanwhile, Michael Breidbach and his colleagues are providing practical assistance at the workplace. Experts from the Bremen site in northern Germany are sent out to Kazakhstan and Bosnia-Herzegovina to train colleagues on-site. "They have performance indicators and a desire to have our know-how transferred". The declining accident figures show that the commitment is paying off. "Engaging with it pays dividends", notes Michael Breidbach. Serious accidents remain an ever-present threat in this type of activity, as shown in the Kazakhstan disaster in one of the group’s score of coal and ore mines. "Even up to a few years back, this sector was responsible for most of the accidents". Since then, the accident figures have fallen sharply. Michael Breidbach pays tribute to his colleagues’ work: "What they have managed to do is something that deserves our respect".

"The Golden Rules"

While the creation of the JGHSC was undoubtedly a milestone, all is not yet sweetness and light in the unions’ view. One recurring problem is compliance with the ten "Golden Rules". These lay down the safety rules for the group, are published in several languages and are available for reading in every factory. They specify the different risks and the right behaviour to adopt: "I will respect all the rules", or again "I will respect all the rules on load handling at all times and never stand under a suspended load". But what of employees and managers who flout these rules? What kind of penalties can be handed out? These are questions to which no satisfactory answers have yet been found.

The unions also take issue with senior management’s failure to engage fully with the JGHSC in face of a recent management statement that "There is no disagreement that the main responsibility for a safe workplace lies with management". But opinions are divided on how to deal with faults and breaches of the rules – management favouring individual disciplinary action, while the union reps argue for educating their colleagues in safe working practices. The unions believe the best way is to involve the workers who actually do the job at the workplace. Supervisory staff and employees therefore need to work actively together to avoid any risk behaviour. The unions affirm that, "Every worker has the obligation to follow the rules (...) We agree that discipline may be necessary in cases of wilful defiance and outright recklessness, in which employees can endanger themselves and/or colleagues". But no sanction should be applied until all the circumstances have been considered – and that clearly does not always happen. So, in a June 2011 report1, the union reps on the JGHSC stress the possible harm that can result from a prevention policy focused on discipline, illustrated by an incident at the Indiana Harbor (Chicago) site, where workers were handed 5-day suspensions for voluntarily reporting a near-miss accident and suggesting to management steps to prevent a reoccurrence.

For every agreement there is disagreement at ArcelorMittal. But both sides seem happy with the positive examples that illustrate the shared commitment to improved safety. The medium and long term health impacts of workers’ exposure to risks like toxic fumes and dust is not so far on the JGHSC’s agenda. Its aim lies elsewhere: the priority is to prevent future work accidents, especially fatal ones. A JGHSC delegation visiting the Indiana Harbor and Burns Harbor sites in the USA in April 2010 took part in the Union Workers’ Day Remembrance – a commemoration of all those who have lost their lives at work. The names of all the workers who have lost their lives at work at the Indiana Harbor site since 1903 are engraved in granite on the wall of the local union hall. JGHSC members read there the names of 389 people. Together they pledged to fight for one aim: "Our goal is to never add another name".
unions were voicing misgivings. Just months ahead of a merger it would be unable to stop, EMF said it would not countenance Arcelor being “sacrificed for the benefit of some speculators”. That foreboding is now coming true.

Many commentators – and not just trade union observers – believe that under the guise of the crisis and declining demand for steel in the motor manufacture and construction industries, the family patriarch, Lakshmi Mittal, is rolling out a long-standing strategic restructuring plan to create competition between his European plants and keep some units idle in order to create a market shortage of steel to keep prices high.

"Since the crisis began, management has ordained that for the years ahead anything over 75% of a facility's capacity utilization counts as overuse relative to average production. And it has decided for all its European sites that the extra work will be handled by agency workers", says Philippe Verbeke, CGT national coordinator for ArcelorMittal.

"There isn't much that can be done about it, not least because management are using transfers between jobs and sites to cancel agency workers' contracts and set them on again elsewhere so as to exploit the maximum 18 months' temping for an agency worker", says the union official.

The steelmaker is employing large numbers of agency workers at some sites to fulfil customer orders while 2,500 employees at the Florange (Lorraine) blast furnaces have been kept on short time for months.

The EMF also believes that the Mittal family plans to reduce its investment in the European steel industry to finance acquisitions in mining and factories outside Europe. Following the merger with Arcelor, Mittal increased its investments in iron and coal mines around the world. In 2010, the group officially established a "mining division" which Le Monde reports contributed 52% of group earnings for 6.6% of sales in 2011. With part of the iron ore market now in its hands, Mittal feels free to sell it to its European facilities at market price, i.e., "top dollar" as the Syndex consultancy reported in early March to the European Works Council.

The group's mastery of the art of "job blackmail" – not to mention its astuteness in tax matters also raises issues of business ethics. In Belgium, Lakshmi Mittal made the restarting of a blast furnace in the Liège region of eastern Belgium in 2008 dependent on the authorities granting him CO2 allowances. This added a bit more to the stock of CO2 credits stored up by Mr Mittal in recent years. Reselling them earned him an extra 70 million euros in the 2011 financial year revealed the Belgian press in February 2012, four months after he announced the permanent shut-down of the hot phase site in Liège ...