**Statement delivered by IndustriALL Global Union to OECD Steel Committee on 28 September, 2017**

My name is Sanjyot Vadhavkar and I am intervening here on behalf of TUAC, the Trade Union Advisory Committee to the OECD. I am an Executive Committee member of the Steel, Metal & Engineering Workers' Federation of India. I am also the Co-chair for the Base Metals section of IndustriALL Global Union. IndustriALL Global Union represents 50 million workers in the mining, energy and manufacturing sectors in 140 countries, including all countries that are members, associates and participants of the OECD Steel Committee. I want to thank OECD Steel Committee for this opportunity to present on labour market developments in the steel industry. In order to understand these labor market developments, the voices of steel workers and their unions must be heard. I’m happy to report that there are a record number of steel union leaders participating in the OECD Steel Committee today.

Sixty union leaders from the base metals sector in 20 countries met at the IndustriALL Base Metals Steering Committee on Tuesday and Wednesday of this week in Paris. Trade, overcapacity and digitalization were all key issues we discussed at this meeting. We look forward to continuing those discussions here.

OECD Steel Committee reports that there have recently been modest improvements in steel production and pricing. We are pleased to report that we have seen modest improvements for workers as well. Our affiliated steel unions are seeing less plant closures and less job cuts than they were a year ago. Some have seen increasing production or re-opening of idled worksites, helping to regain some jobs lost during the recent crisis. This is sometimes due to the effective implementation of trade defense instruments.

However there are some reports of worrisome labor market developments. For instance it was announced a week ago that Tata Steel and ThyssenKrupp have signed a memorandum of understanding to combine their European steel operations in a 50-50 venture, and that this combination will result in the loss of 4 thousand jobs. Although many see this as a necessary consolidation of the steel industry in Europe, it would not be necessary without Chinese overcapacity.

Many of our unions continue to have members out of work after being displaced by restructuring caused by dumping and other unfair trade practices. We take note that the OECD Steel Committee mandate includes a commitment that governments work to reduce the social costs that arise from capacity reductions in the steel industry. Unfortunately governments have simply not met this commitment. With the sole exception of Sweden, our affiliates report that workers displaced by steel restructuring have little hope of finding comparable employment and income in a reasonable amount of time. Income support and retraining benefits are generally inadequate. We ask this Committee, why have governments not lived up to their commitment to protect steel workers that are the victims of capacity reductions?

Our unions share OECD Steel Committee’s concern that there has been a slow pace of adjustment of capacity to demand. We are specifically concerned about massive ongoing excess capacity in China. We are not convinced that China will end its widespread practices of steel subsidies, dumping and other government intervention that gives Chinese steel producers an unfair advantage in global markets.

Our unions are aware of reports that China has begun capacity reductions in response to external pressure and in order to reduce pollution. We call on China to take all necessary measures to reduce the impacts of these capacity reductions on Chinese workers. We also urge OECD Steel Committee to use its expertise to guide China on how to effectively reduce these impacts on workers. And we urge all of you to continue to lobby your ministers and governments to pressure China to reduce its overcapacity, both through bilateral engagement, as well as in forums such as OECD Steel Committee and the Global Forum on Steel Overcapacity.

IndustriALL stands in solidarity with Chinese steel workers. We demand that China respect freedom of association and collective bargaining rights, and allow independent and democratic trade unions to operate. We demand this of all countries. This Committee should do the same.

Steel unions in IndustriALL have a diversity of views on trade. We are united in our call for fair trade. Trade cannot be fair if steel producers in one country are able to undercut steel producers in another country by not paying fair wages or by failing to respect fundamental workers’ rights. OECD Steel Committee has a mandate that trade in steel will remain as unrestricted and free of distortion as possible. As OECD Steel Committee is now reviewing this mandate, we encourage you to recognize that suppressing workers’ fundamental rights included those in ILO Core Conventions is itself a distortion of trade and should be opposed by this Committee.

Our steel union affiliates in Latin America have reported a disturbing trend throughout the region of neoliberal governments pushing for greater labor market flexibility, which in practice means less job protections and less protection of workers’ rights. At times OECD is encouraging governments to move in this direction with recommendations based on flimsy evidence or unconvincing research. We find this highly disturbing, especially given the fact that there is little protection offered to displaced workers in many Latin American countries.

Finally, we commend OECD Steel Committee for holding a session later today on digitalization and automation. This is a matter of great concern and interest to steel workers. IndustriALL is organizing a world conference on this topic next month. Our affiliated unions are eager to understand these changes and to work jointly with governments and businesses to ensure they advance the rights and interests of steel workers.

Thank you.