

# Continental workers in France pressured into voting for wage cuts

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On September 13, 52 percent of Continental Automotive France's 2,500 workers voted to accept an 8 percent wage cut and an annual loss of income of €5,000. In exchange, they received management guarantees that they could keep their jobs until 2015. Such guarantees have little value, however, as Continental has disregarded them in the past—notably closing the Clairoux plant two years after providing guarantees against its closure in 2007.

The new deal involves the loss of 100 jobs for temporary and subcontractor workers, and, according to Agence France Presse (AFP), “a virtual wage freeze in 2011, a sharp cut in bonus payments and the equivalent of two additional days of work per year until 2015, in return for an agreement by the Continental head office in Germany to maintain the work force until 2015.” This comes in the wake of 150 voluntary redundancies and the sacking of 200 temporary workers.

Continental Automotive's assault on its three plants, situated in Toulouse, Boussens and Foix in southwestern France, is part of its worldwide drive to maximise profits by driving down wages and conditions. It responds to sharpening competition throughout the motor industry brought about by the world economic crisis.

The company produces electronic systems and is an affiliate of German-owned Continental Tyres, a transnational employing 143,000 workers in 46 countries, with a turnover of €20 billion in 2009. Continental Automotive France made €38 million profit in 2009 from a turnover of €400 million and is set to do as well in 2010. However, the business daily *Les Échos* reports: “Management concedes that the company is doing well, but asserts that the plan is vital for the survival of the three sites, not in the very short term, but beyond because the factories are faced with an alarming drop in orders for 2012 and 2013.”

At a rally outside the Toulouse factory September 13, union delegates from Continental plants in Spain and Germany explained that they had faced similar offers. Management at Toulouse told the unions that Continental's German sites had already negotiated guarantees that they would get orders. This was an attempt to pit workers at

different plants against each other—a tried-and-trusted method of Continental, assisted by the inactivity and complicity of the trade unions.

The 83 percent participation in the ballot showed that the great majority of workers ignored the call for a boycott by the majority unions at the company—the CGT (General Confederation of Labour, close to the Communist Party) and the CFDT (French Democratic Confederation of Labour, close to the Socialist Party).

In fact, the boycott call by these unions was a cowardly attempt to cover up for their refusal to lead a fight against the company blackmail. Instead of calling for a no vote and mobilising opposition to the global austerity policies, the CGT told the workers with cynical lightmindedness to boycott a vote on the fate of their own jobs and wages.

Under present conditions, a determined fight against the right-wing government of President Nicolas Sarkozy would find a powerful response in the working class. Weakened by his corrupt links to the L'Oréal heiress Liliane Bettancourt and other scandals, tainted by racist policies recalling the collaboration of the French political elite with the Nazis during the Occupation, Sarkozy faces rising mass anger.

Olivier Grimoux, CGT delegate at the Toulouse plant, told the press: “This plan is a social regression. We will not sign it.”

This “left” bluster cannot hide the fact that the CGT now routinely agrees to social regression for masses of working people. CGT National Secretary Bernard Thibault has continuously worked with Sarkozy to impose pension cuts and austerity measures allowing the state to reduce its budget deficit and improve French capitalism's competitiveness. As for Grimoux's signature, the company will cut wages—and, quite possibly, close the plants—with or without it.

The vote at Continental Automotive came six days after well over 2 million workers walked out and as many demonstrated on September 7 against Sarkozy's austerity

policies. The only perspective offered at the protests, however, was to get behind the Socialist Party and replace Sarkozy in the 2012 elections. This was the purpose of the all-union coalition's "Days of Action," led by the CGT and the CFDT, and supported by all the "left" parties and anti-Sarkozy conservatives—from the ex-left New Anticapitalist Party (NPA), the Socialist Party, the Communist Party, and the Left Party of Jean-Luc Mélenchon, to the followers of former Gaullist prime minister Dominique de Villepin.

Continental Automotive workers are aware that Continental Tyres in Clairoix in the north of France used the same tactics to increase exploitation of the workforce through the fear of job losses. The firm slashed wages by increasing the working week, without increase in pay, from 37 to 40 hours in 2007. The promise to keep all the 1,120 jobs at Clairoix was reneged upon in 2009 with the closure of the factory.

The unions at Clairoix, principally the CGT, supported by the middle class left opportunists in Lutte Ouvrière (LO) and the NPA, negotiated the shutdown in exchange for severance pay of €50,000 for the laid-off workers and an agreement not to mobilise the workers to intervene in any other Continental factories in Europe where downsizing and cost-cutting were being imposed.

The workers were pressured into accepting the closure of the plant by the CGT representative Xavier Mathieu, counselled by LO. This was the signal to all French employers that all jobs were for sale, regardless of the ripple effect on the local economies totaling thousands of job losses and the devastation of entire communities.

This is part of a broad offensive in the auto industry against workers' wages, conducted with the complicity of the trade unions. In July 2010, workers at the General Motors plant in Strasbourg, under threat of closure from the government and the unions, were pressured into voting for a 10 percent wage cut.

The growing anger of the working class and the youth needs to find expression in a socialist perspective, in opposition to the existing trade unions and the "left" parties. The defence of the jobs and conditions of the workers at Continental Automotive requires a break with the unions and their fake left political allies. This involves setting up of rank-and-file committees that would call for joint action among fellow French, Spanish and German Continental workers to fight company cost-cutting exercises as well as the austerity measures of Sarkozy, of Angela Merkel in Germany and José Luis Zapatero in Spain.

All the social democratic governments in Europe are showing that they are no less ruthless than the conservative parties in imposing austerity on the workers. In Greece, the social-democratic PASOK government of George

Papandreou recently sent in the army to break a lorry drivers' strike, and the Socialist Party government of Zapatero in Spain has used the threat of army intervention against Madrid metro workers' and air traffic controllers' strikes over wages and social cuts.

Mass strike action, developing into a general strike, would bring the workers into collision with the state and pose the necessity of a socialist programme for taking power.

In the US, in direct collaboration with the Obama administration and the auto companies, the United Auto Workers (UAW), while supporting the closure of "unprofitable" plants and the loss of thousands of jobs, has invested its pension funds in the profitable parts of the industry where wages have been slashed by 50 percent, now a benchmark for all competitors.

The decision by GM workers in Indianapolis, Indiana, in the US to stand up to this offensive and to establish a rank-and-file committee independent of the UAW is an important development for workers internationally. In an appeal for support, the committee asserted: "We must unite all workers in the plant, young and older, full-time and temporary. We call on all auto workers throughout the country to support our struggle." It continues, noting that their statement is being sent to workers at other auto plants who will be the next to face wage cut demands. "Many is a very powerful thing. If we know we are not alone in this we know we are strong."

*The authors also recommend:*

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