

# Carmaker Citroën-Peugeot to close plants in France and Spain

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Leaked internal documents reveal that PSA, the French Citroën-Peugeot car manufacturer, intends to close three of its plants.

This involves the loss of 3,600 jobs at the Aulnay-sous-Bois factory in the working-class Seine-Saint-Denis department north of Paris, and 2,800 at the jointly owned PSA/Fiat Sevel Nord plant in Hordain, near Calais in northern France. The plan considers a possible retention of the plant if there is sufficient state support. The third is a Peugeot factory in Madrid employing 3,100 workers.

A PSA document dated August 23, 2010, proposes a redundancy plan at the Aulnay plant for 2013, leading to its closure in 2014 and also the closure of Sevel Nord by 2015.

PSA's industrial director, Denis Martin, immediately asserted that the document was "preparatory" and now "out of date." Nevertheless, he stressed that he could not comment on the fate of the site beyond 12 to 18 months ahead.

Prime Minister François Fillon asserted that the French motor manufacturers were "indebted to the nation due to the aid they had obtained in 2009," when they received multibillion-euro bailouts from the French state. Fillon was silent on the fact that these funds—€6 billion-plus subsidies through a "cash for clunkers" programme—have been used to prepare the ongoing restructuring of the industry.

Profits made from this have enabled PSA and Renault to repay the Automobile Pact, which was designed to keep PSA and Renault profitable and had nothing to do with the welfare of the workers.

The closures are part of a world plan elaborated by PSA known as the "compacting [*compactage*] of the factories." and a massive reorganisation of the European motor industry under conditions of cut-throat

competition exacerbated by the world economic and financial crisis.

A June 13 article by *Médiapart*, an Internet publication set up by ex-*Le Monde* editor Edwy Plenel that had access to the documents, summarised their importance as follows: "The corporation considers that it has too many production units in France and the European Union, in a European market with structural overcapacity" that is increasing "with the multiplication of factories in Eastern Europe, Turkey and Russia...with very small profit margins." PSA therefore believes that "saturation of production sites" and economies of scale are key to maintaining profit margins.

This means shutting down sites and concentrating production at the largest and most profitable plants. Ford, Opel, Fiat, and Renault have already started to close factories in Europe. PSA abandoned its Ryton site in Britain in 2007.

Philippe Varin, appointed head of PSA in June 2009, set about revising company strategy to face "untrammelled global competition, where French workers are frontally pitted against Indian, Slovak or Turkish workers." Varin's objective was to make PSA a global player "with the lowest possible production costs so as to resist competition through the 'compacting' of the factories and a work force adapted to this."

This is also part of the European response to the retooling of the US automobile industry after the 2008 economic crisis—with large-scale layoffs, imposing 50 percent wage cuts on the workforce, and other catastrophic attacks on workers' living standards. These attacks were organised with the cooperation of the US unions and the Democratic Obama administration.

Evidence suggests PSA has been preparing the Aulnay site for closure for some time. Its workforce has been run down from 6,200 in 2004 to the present 3,600. Already, production at Aulnay had been reduced and taken up by increased exploitation of the larger Poissy site, which has a workforce of 5,800. One of its two production lines was closed in 2008, and in October 2010, the night shift was stopped and replaced by a night shift at Poissy. Aulnay's anti-pollution unit is to be moved to Mulhouse in 2012.

PSA also estimates that, located as it is on prime building land, the Aulnay site can be sold for €300 million.

When the unions at Aulnay asked for a written guarantee that jobs and wages at the plants slated for closure would be maintained for five years, management asked them to accept a 5 percent increase in production, without adding to the workforce. CGT (General Confederation of Labour) union officials told *Challenges* this meant producing 15 more cars per day, going from 342 cars per shift (47 hourly) to 357 cars (51 hourly). The unions have so far rejected the proposal.

At Sevel Nord, the union has called for a one-day strike of industrial workers in the region on July 7 against the closure of their site.

Workers can place no confidence in the trade unions to defend their jobs and fight PSA's attempts to close their plants. A bitter history of auto plant closures since the outbreak of the 2008 economic crisis shows that the unions have no real interest in defending workers' jobs.

In factories including German tyre maker Continental's Clairoux plant, the Goodyear plant in Amiens and the Sodimatex plant at Crépy-en-Valois, the unions simply carried out plant-by-plant negotiations with the employers and the French government. As both the companies and the government sought to close the plants, and the unions sought above all to prevent a struggle that exploded beyond their control, this led to stark defeats for the workers. The unions arranged "orderly closures" of the plants, with minimal severance packages for the workers.

In the case of Continental, the deal involved a commitment by the unions to prevent any attempt to disrupt the firm's closure plans elsewhere in Europe. At no point, in any case, has the CGT sought to

mobilise the entire motor industry's workforce against these closures; instead, it has kept their struggles isolated.

Indeed, the CGT, like France's other unions, has collaborated with President Nicolas Sarkozy's government in all the austerity programmes designed to increase the competitiveness of French big business. This is the CGT's leading consideration in its operations.

This was most graphically shown during last October's refinery strike against pension cuts, when the CGT decided not to protect refinery workers against police strike-breaking. Instead, it called for purely "symbolic" protests against police as they requisitioned strikers and forced them back to work. This signalled the beginning of the end of mass mobilisations against Sarkozy's pension cuts, as it became clear that none of the existing organisations intended to fight them.

The only way for PSA workers in France and Spain to defend their jobs is to build organisations to coordinate their struggles independent of the government and the unions, as well as their fake "left" political parties that promote them. They would fight to unify auto workers and other workers internationally in a common struggle against these plant closures—on a socialist perspective of nationalising the auto industries as public utilities democratically controlled by the working class.



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