

# French car workers strike against 23 percent wage cut

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Four hundred workers at the Fonderies du Poitou at Ingrandes near Poitiers in central France have been on strike since September 2 against management demands that they accept a 23 percent cut in wages. Part of car components maker Montupet's "competitiveness plan" is to reduce overall production costs by between 15 and 20 percent.

The demand is typical today of the French and global automobile industry's drive to super-exploit its workforce and reduce costs. This involves notably the reorganisation of the European and North American motor industries to compete in the ferocious conditions of the world auto market, exacerbated by a deepening economic crisis.

The foundry's entire production of aluminium cylinder heads supplies the two major French motor companies: 85 percent to Renault and 15 percent to PSA Peugeot-Citröen. Reportedly, the car assembly factories the foundry supplies have stocked up with 20 weeks' supplies to be able to ride out the conflict.

Built by Renault in 1980 and later sold off, the foundry has had several owners since. It is estimated that since Montupet took it over in 2009, productivity has risen 30 percent through increased exploitation of the workforce. The unions report high levels of sickness because of the harsh physical work and the unhealthy atmosphere.

The region's industrial base has been devastated over the last 10 years. The area hit the headlines in 2009 when workers at New Fabris threatened to blow up the factory in a desperate and unsuccessful attempt to fight its closure. A further shutdown in the region would be a social calamity.

According to a March 31, 2011 statement by the Montupet group's board of directors, "the company's industrial assets are today made up of three 'low cost' factories (Mexico, the UK and Bulgaria) and four less competitive factories in France and Spain". The inclusion of the UK in the low-cost list highlights the ongoing

process of destroying workers' conditions in the advanced economies.

The statement concludes: "In the coming years, to respond to the requirements of its customers, it will be mainly in Mexico, Bulgaria and the UK that Montupet will be increasing its production capacity by major investments up to 2013. This will ... constitute one of the main factors for the improvement of the profitability of the group."

Fonderies du Poitou has threatened the workers that if they do not accept the wage cuts there will be mass sackings and the possible closure of the site. Montupet management has justified the cuts by claiming that because of the economic situation, Renault will also have to reduce wages at its plants. The "competitiveness plan" will bring the Fonderie du Poitou's wages into line with those of Montupet's two other French foundries in the departments of Indre and Oise, where workers receive the legal minimum monthly wage of €1,200 (US\$1,621) per month—a cut of between €300 and €400.

Speaking in the context of the Frankfurt motor show in September, PSA Peugeot-Citröen CEO Philippe Varin claimed, "there can be no cost reductions without job cuts." The company's plants at Aulnay-sous-Bois, north of Paris, the jointly owned PSA/Fiat Sevel Nord plant in Hordain, near Calais in northern France, and the Peugeot factory in Madrid, Spain are already under threat of mass sackings and closures. (See: "Car maker Citroën-Peugeot to close plants in France and Spain").

Some 10 percent of PSA's 10,000 temporary workers are to be laid off. Varin added: "In 2009, when we drew up our performance plan, we envisaged a growth of the European market from 2011 which would continue into 2012; in fact we can see that this year we won't be advancing again ... we are going to have to prepare for more difficult times."

Jérôme Stoll, commercial director of Renault, told

Reuters that the end of the 'cash-for-clunkers' programme and the economic slowdown in the US invited caution. Renault-Nissan's number two, Carlos Tavares, declared: "As for 2012, things are uncertain because we are in a very volatile period." His views were echoed by Fiat CEO Sergio Marchionne, for whom "2011 is a difficult year and 2012 is unlikely to be better, if the financial markets continue to be uncertain and the lack of confidence in the system remains."

These plans to make the working class pay for the crisis will be given extra urgency by reports in Friday's financial press that business confidence in the manufacturing industry dropped by 6 points in September. The steel producer Acelor-Mittal, claiming lack of demand, has shut down two of its blast furnaces at Florange in northeastern France, putting 700 workers on short-time. Its steel mills in Belgium and Germany are also affected. In the 2009 recession the firm shut down half of its 25 European plants.

In September 2009, Volkswagen boss Martin Winterkorn expressed his worries that the reorganisation of the American motor industry undertaken by the Obama government and facilitated by the United Auto Workers (UAW) would enable GM to lower costs so as to end up with a competitive advantage. "We dread this scenario.... Those that think that Ford and GM are going to disappear from the market are badly mistaken."

His shrewd anticipation has been verified with wages for many GM, Ford and Chrysler workers cut by half to \$14 an hour. Indeed, Volkswagen's new plant in Chattanooga, Tennessee, made headlines this year as the first US auto assembly plant to pay its entire production workforce the lowest starting wage for new US autoworkers—\$14.50 per hour. But now the plant is starting all new production employees at \$12 per hour, workers report, setting the bar even lower for autoworker wages. All with the complicity of the UAW.

Eric Bailly, secretary of the Stalinist dominated CGT (General Confederation of Labour) and of the works committee of Fonderies du Poitou, is also spokesman for the joint trade union committee. He has told the press, "there is a deliberate intention to sink us."

Asked by the WSWs if he thought that Montupet and the French car manufacturers could be fought on a single plant basis, Bailly admitted, "The struggle should be generalised." He said that the failure of the trade unions to mobilise the whole working class against the wave of factory closures was due to workers' individualism. "This weakens the unions."

Reminded that since 2007 CGT leader Bernard Thibault had worked closely with President Nicolas Sarkozy in the imposition of austerity measures and that the union federation, in particular, had been complicit in the police suppression of the refinery workers strike which led to the defeat of the 2010 pensions struggle, he made no attempt to deny it. Bailly admitted that behind the scenes union leaders came to all kinds of deals and arrangements. "Workers realise this. That's why we are losing our credibility."

Nevertheless, the committee Bailly heads has sent a letter to Sarkozy asking him to use his influence to stop the plan and has also made approaches to local senator and former conservative Prime Minister Jean-Pierre Raffarin. The pro-austerity Socialist Party leader Ségolène Royal, a prospective presidential candidate, has been allowed to feign solidarity at meetings unchallenged.

Every leading French politician gave full support to the €6 billion auto industry bailout package in 2009, which Renault and PSA promptly used to increase profitability and prepare redundancies.

Car workers can defend and extend their social gains only by breaking with the existing unions and forming independent action committees with a political perspective of ousting the Sarkozy government and creating a workers' government. Such a government in unity with workers worldwide would be tasked with expropriating the motor companies and capitalist enterprises and turning them into public utilities within the democratic and socialist reorganisation of the economy.



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