

# French unions prepare to back cuts in PSA-GM tie-up

Kumaran Ira  
28 February 2012

The General Confederation of Labor (CGT) and the French and Democratic Labor Confederation (CFDT) are preparing to back deep attacks on jobs and wages in the corporate tie-up between PSA Peugeot-Citroën and General Motors-Opel.

According to French business daily *La Tribune*, discussions between the two carmakers “that began several months ago are in their final phases.” The final agreement is to be formalized at the Geneva Motor Show in March: PSA and GM’s Opel-Vauxhall units will jointly develop engines and transmission systems and coordinate joint designs to be sold under their respective brands. PSA has announced plans to close plants at Aulnay-sous-Bois near Paris, at SevelNord in northern France, and near Madrid as part of an €800 million cost-cutting plan announced last October.

French Labour minister Xavier Bertrand has confirmed “the strategic partnership” between the two groups after talks with PSA CEO Philippe Varin.

Soon after the first press reports of the PSA-GM tie-up emerged, the CGT issued a statement declaring, “These discussions could be positive if it is a project for cooperation to make utility vehicles at SevelNord and guarantee the future of jobs at this site.” The CGT continued, “If it is a strategic and capitalist union ... the social risks are important.”

This is a cynical dodge: the CGT knows full well that PSA aims to make deep cuts to jobs and wages, as European car markets collapse due to austerity measures that are slashing workers’ living standards and purchasing power. Last week PSA forecast a 10 and 5 percent drop in car sales respectively in France and in Europe.

The CGT is taking this position only to give itself political cover while it continues to hold talks on anti-

worker cuts with PSA, GM, and other GM unions.

PSA, Europe’s second-largest producer by sales after Volkswagen, has been looking for a strategic alliance in recent years to boost its profits in overseas markets. For now, 58 percent of its car sales are still in European auto markets—which are expected to remain at least 22 to 23 percent below their 2007 levels. The alliance with the GM will allow PSA to focus on markets where GM is making profits, such as in Asia.

Though PSA overall reported a net profit of €588 million in 2011, down from €1.13 billion in 2010, its car-making division announced a loss of €92 million in 2011. PSA employs 167,000 workers in Europe, including 100,000 in France, has 12 assembly plants in Europe and GM-Opel has eight. The merger of the two is expected to lead to the shutdown of 4 plants, according to press reports.

Though PSA is still profitable, its goal is to impose deep cuts to slash workers’ wages and benefits to ensure the firm’s long-term competitiveness on world markets. Varin told the *Financial Times*, “If you look at the cost of one hour of manpower in our plants, this is in France closer to €35 an hour—higher than in Germany.” He added, “France is not going the right way, especially in the level of benefits you have, [such as] Social Security.”

PSA’s goal in the tie-up with GM is to impose on French auto workers the sort of wage and job cuts that GM and the United Auto Workers (UAW) union imposed on auto workers in Detroit. In 2009 the Obama administration put GM and Chrysler in bankruptcy, paving the way for auto giants to implement cost-cutting measures—plant closures, 50 percent wage cuts on all new-hires and cuts in healthcare and pension benefits. European car makers want to impose similar measures.

UAW President Bob King openly praised the union's role in helping management to increase company profits by slashing labor costs. King has been elected to the Opel supervisory board with the support of the German IG Metall union, to oversee attacks on GM workers in Europe. GM already closed its Opel plant in Antwerp, Belgium, sacking 2,500 workers. It is now threatening to close its factory in Bochum, Germany (3,100 jobs) and Ellesmere Port (2,100 jobs) in England.

Speaking of the situation in European markets, GM CEO Dan Akerson said: "I think there's a general recognition by all constituencies that the situation is not all that much different than it was in the US three years ago"—that is, when GM and the UAW began imposing the cuts.

The only way for workers to struggle against the cuts now being prepared is to mobilize broad opposition to social cuts in the working class, independently of the trade union bureaucracies, who support the cuts.

The CGT and the UAW have already announced a close collaboration in the international auto industry. In April 2008, the UAW and the FTM-CGT (CGT Metallurgical Workers Union) began an ongoing collaboration to develop "a joint global strategy on organizing common employers."

At the time, UAW Vice President and Organizing Director Terry Thurman said, "We are very pleased to work with our French brothers and sisters. There is a great deal we can learn from each other ... The corporations cross national borders for their self-interest, and our unions need to do the same thing."

FTM-CGT auto division leader Michel Ducret responded, "Our meetings with the UAW have already borne fruit by allowing a better collaboration between the wage earners of the same international auto group."

In fact, this was the beginning of a wave of wage cuts and plant shutdowns on both sides of the Atlantic—with, in France, plant closures at Continental, New Fabris, and a variety of other auto firms—which the unions did not oppose. These moves also had the support of Europe's petty-bourgeois "left" parties (see, "French NPA prepares international betrayal of auto workers' struggles").

Stripped of its cynical evasions, the statement of the French CFDT union indicates that it is preparing to

agree to deep cuts against the workers. While claiming to be concerned that "the social dimension and workers' future are not being taken into account," it justified its participation in negotiating the deal, saying that the "alliance is a question of survival for the company."

This comment gives the game away: if they view it as a "question of survival," the unions will be prepared to take the most drastic actions against the workers to ensure the continued profitability of the firm. They are taking these measures against the work force even though French auto firms took multi-billion bailouts in 2009 at public expense.

Auto workers in France and internationally must reject the union-backed PSA-GM deal and oppose all plant closures and cuts emerging from this deal, which reflects the bourgeoisie's attempt to place the burden of the economic crisis on the backs of the working class. Above all, they must wage an international struggle of the European and American working class in opposition to the trade union bureaucracies that are trying to impose these cuts on the working class.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**