

France's Socialist Party government backs job cuts at automaker PSA

Kumaran Ira
17 July 2012

France's Socialist Party (PS) government is tacitly backing automaker PSA Peugeot-Citroën's plans to shut down the Aulnay plant and to cut 8,000 jobs across France.

On July 15 Finance Minister Pierre Moscovici backed the cuts and made clear the PS government would only intend to modify secondary aspects of PSA's plans. Asked about PSA CEO Philippe Varin's "legitimacy" to carry out the cuts, Moscovici replied: "The firm being private, it is up to it to choose its own management."

He stressed: "There are mass layoffs that were put off, that is clear. ... We have a very difficult inheritance, a lack of confidence between social actors and also a lack of competitiveness, and we will overcome it." He added, "We will discuss with Varin. I am not here to destabilize anything, but to be constructive and find solutions."

Moscovici's comments expose the cynical character of the PS government's initial reaction to the plans. In a TV interview on Bastille Day, President François Hollande described PSA's plans as "unacceptable" and said the state would not "leave this be."

However, Hollande went on to say that he would not halt the closure of Aulnay plant: "The government cannot outlaw the closure of the Aulnay site, but we can arrange for Aulnay to remain an industrial site."

He asked PSA management to ensure that its plan would "be renegotiated" with the unions. He demanded "negotiations so that there be no uncompensated firings at Peugeot, and that each worker be proposed a solution."

The Hollande government's policy is fully aligned with the needs of big business. It aims to boost French corporations' competitiveness by slashing labor costs

and workers' living standards while working with the union bureaucracy to avoid an explosion of social discontent in the working class that would disrupt its plans. It is a government of the rich, by the rich, for the rich that rules with complete contempt for the working class.

Despite the mass sackings the auto industry is carrying out, Hollande is preparing to give it further financial handouts, in addition to broader givebacks to big business at the expense of the workers. There are plans for deep cuts in business contributions to social spending, as well as long-term cuts in the purchasing power of the minimum wage, and increased labor "flexibility." (See: "France: Social Conference outlines massive attacks on the working class").

Refusing to provide details of Hollande's auto plan, which will be presented to the Cabinet on July 25, Moscovici said "it will not be a 'Peugeot plan,' but one for the entire industry—PSA, Renault, and the parts suppliers."

While they negotiate the cuts with PSA management, the unions are playing a key role in blocking opposition to the cuts in the working class. As the PS government backs PSA's restructuring plan, they are making cynical and bankrupt appeals to the government to stop the shutdowns, describing Hollande's proposal only as "insufficient."

Jean-Pierre Mercier, the General Confederation of Labor (CGT) union delegate at Aulnay, said: "The only agreement we have with François Hollande is that we recognize that Peugeot lied for 12 months to public opinion. Management had decided to close the Aulnay factory in 2010, the closure of the factory has nothing to do with the fall in sales in 2012."

This is a collection of blatant lies. The Hollande

government has no objections to the conduct of PSA management, which it is supporting, because PSA is responding to the global economic crisis underlying the collapse in auto sales with attacks on the working class. This policy is supported, negotiated, and implemented by the PS government with the union bureaucracy, which has done nothing to mobilize the working class in opposition to the PS' plans.

In 2011, the CGT published a leaked internal document outlining plant closures at Aulnay (costing 3,600 jobs), SevelNord in northern France (2,800 jobs), and Madrid (3,100 jobs). Nonetheless, they decided not to make this an issue during the 2012 presidential campaign—in which the CGT, the other union confederations, and petty-bourgeois “left” parties like the New Anti-capitalist Party (NPA) and Workers Struggle (LO) backed Hollande.

As they seek to boost the global competitiveness of the French auto industry, Hollande and the CGT are playing a similar role to the Obama administration and the United Auto Workers (UAW) union in the United States in 2009. Obama put GM and Chrysler in bankruptcy, paving the way for deep cost-cutting measures—plant closures, a 50 percent wage cut for new hires, and cuts in health care and pension benefits. UAW President Bob King, who is now working with unions at German automaker Opel to slash labor costs, openly praised the UAW's role in boosting GM's profits.

The PS support for the PSA's plan in the name of boosting its profits and competitiveness is a devastating exposure of the anti-working class policies of the petty-bourgeois “left” parties. While outrage spreads in the working class, they make every attempt to maintain the grip of the union bureaucracy over the working class and promote illusions in Hollande. (See: “LO, NPA block struggle against PSA job cuts in France”)

Mercier, a leading LO member, has publicly proposed to wait to mount a struggle against the cuts until September.

The anti-working class policies of the PS and its supporters of the petty-bourgeois left fully confirm the analysis of France's 2012 presidential elections made by the International Committee of the Fourth International and the World Socialist Web Site. The WSWS warned working people about the reactionary policies of Hollande and his supporters, advocating an

independent political mobilization of the working class in the struggle against French bourgeois state.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact