

French automaker PSA to cut 8,000 jobs, close Aulnay plant

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On July 12, automaker PSA Peugeot-Citroën formally announced plans to cut 8,000 jobs throughout France and close its plant at Aulnay-sous-Bois, north of Paris—the first PSA plant to close in two decades. Thursday morning, while at work, auto workers were informed by text message about the plant closure. Supervisors told them, “You have one hour to warn your families, then you go back to work.” Workers halted production and, gathered in a general assembly, unanimously voted to strike. They chanted, “PSA criminal bosses,” “PSA has money, no factory should close.”

The plant closure and job cuts had been prepared for some time. Leaked documents published by the unions last year proposed to close plants at Aulnay-sous-Bois, Sevelnord in Hordain in northern France, and a plant in Madrid with 3100 jobs (see: “Carmaker Citroën-Peugeot to close plants in France and Spain”). However, until yesterday PSA officially denied that these plans were definite.

One worker bitterly told *Le Nouvel Observateur* that, “For one year, we have heard nothing but lies.”

Peugeot’s restructuring plan includes 3,000 permanent jobs cut at Aulnay, as well as 380 temporary jobs and 250 subcontractors, and 1,400 jobs in Rennes. It will also open a voluntary redundancy plan for 3,600 white-collar jobs. According to the carmaker, half of the 3,000 workers from Aulnay will be redeployed at a plant west of Paris, in Poissy. These measures cut Peugeot’s work force of 100,000 in France by nearly 10 percent.

PSA is acting with complete contempt for both its workers and French taxpayers, firing masses of workers though—after the outbreak of the world economic crisis in 2008—PSA and Renault received €6 billion worth of state aid. PSA CEO Phillipe Varin cynically told

reporters, “I know how serious these measures are for the people concerned, and for our entire company.” However, he said PSA was burning €200 million (\$245 million) a month in cash, adding: “Procrastinating would have put the group in great danger.” Varin has emerged as a key figure in the drive to boost French competitiveness by slashing wages and social spending. In February he 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... France is not going the right way, especially in the level of benefits you have, [such as] Social Security.” The union bureaucracy’s reaction to PSA plant closures and jobs cuts is deeply cynical. Though Aulnay workers have known of plans to close the plant for over a year, the unions made no attempt to mobilize broader support in the working class for a struggle to oppose PSA’s cuts.

Jean-Pierre Mercier—General Confederation of Labor (CGT) delegate at Aulnay and the campaign spokesman of Nathalie Arthaud, the presidential candidate of the petty-bourgeois Workers Struggle (LO) group—said that after “twelve months of lies, the struggle is going to begin now.”

CGT leader Bernard Thibault called the plant closure an “earthquake,” telling *France Inter*: “A year ago, our representatives had already reported this information. Doubtless, the electoral context did not lend itself to confirming this earthquake.” That is to say that one year ago, the CGT was aware of these plans, and that there was massive public opposition that would prevent PSA or the main presidential candidates from openly backing the cuts during the campaign. Nonetheless, the CGT and France’s other unions gave their full support to Hollande. This is because the unions support plans to close plants and slash workers’ wages and working

conditions.

PSA executive Denis Martin told Reuters: “Discussions with unions and prospective partners are ‘on the right track,’” adding that “future production now hangs on conditions including ‘the efforts that we’re asking of the workforce.’”

The announcement came the day after the newly elected Socialist Party (PS) government held a “Social Conference” with trade unions and employers’ associations. The conference agreed on austerity measures to slash public spending, and wages and jobs cut in favor of big business. Hollande is making clear that he intends to boost French competitiveness by slashing labor costs. The unions, which openly backed François Hollande during the presidential election, applauded the Social Conference, endorsing the PS’s anti-working class cuts. (See: “France: Social Conference outlines massive attacks on the working class”). The PS government endorsed the plant closure, calling on management to work with the unions to find a solution. Prime Minister Jean-Marc Ayrault asked PSA management to “begin exemplary, loyal, and responsible negotiations with the social partners, so that all the alternatives that workers’ representatives and their experts can be studied and discussed, with the main goal being the sustainable preservation of jobs and maintenance of industrial activity on all French sites.”

In the meantime, the government is preparing to provide further state aid for automakers to boost profits as they slash jobs, wages and benefits. Ayrault said the measures for financing automakers would be presented to the cabinet on July 25. The plant closure and job cuts came after PSA made a corporate tie-up with the US automaker General Motors (GM) in March. The tie-up between both groups aims to impose on French auto workers the deep wage and job cuts that GM and the United Auto Workers (UAW) union imposed on US auto workers. In 2009 the Obama administration put GM and Chrysler in bankruptcy, paving the way for the firms to implement cost-cutting measures—plant closures, 50 percent wage cuts for all new hires, and cuts in health care and pension benefits. French automakers 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 factories in Bochum, Germany (3,100 jobs) and Ellesmere Port (2,100 jobs) in England.

This underscores that the struggle against plant closures and job cuts can only proceed independently of the unions, who politically support the Hollande government as it oversees continuing attacks on PSA workers and the entire working class.



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