

Renault announces 7,500 job cuts in France

Antoine Lerougetel**17 January 2013**

On Tuesday, French carmaker Renault announced large-scale job and pay cuts, as the auto industry slashes production, citing the global economic crisis.

By 2016, the company will cut 7,500 jobs, 14 percent of its current workforce of 44,000 in France. At the same time it is negotiating with the unions to push through draconian measures to intensify the exploitation of workers. This comes after the loss of 4,000 jobs through attrition over the last two years.

Last month, Renault's car registrations in France fell 27 percent and 20 percent for the year to 551,334. This is in a collapsing European car market, amid recession and Europe-wide austerity measures.

The cuts will enable the company, which has 120,000 employees worldwide, to save €396 million. Renault's shares closed up 1.76 percent on the day, outperforming the European motor industry, which was only up 0.12 percent.

Renault-France chairman Gerard Leclercq told the press, "If an agreement is signed with unions, this staff redeployment would require neither a plant closure nor a voluntary redundancy program."

However, the announced cuts would amount to the workforce of two medium-sized factories. A CGT official told the press that Renault's 12 French plants are currently working at around 50 percent capacity.

Wielding threats of mass sackings and site closures, Renault is engaged in negotiations with the unions that are due to completed on January 29. A CGT statement reports that Renault "wants to get €65 million annually by increasing working hours in the factories by 6.5 percent...by the lengthening of the working day," bringing annual working time up to 1,603 hours.

Renault also proposes to cut the overtime bonus to 10 percent of pay, compared to 25 percent at present. Workers would also be obliged to accept mobility between sites or be fired. The union has only mobilised token stoppages to protest against this full-scale assault

on workers' conditions and made no appeal to other car workers for a joint struggle.

Every betrayal by the unions encourages the employers to deepen their attacks on the working class. Renault is using deals negotiated by the unions in Spain as leverage against workers in France.

Similar deals signed by the unions in order to maintain production at the PSA Sevelnord plant in northern France have provided a benchmark for Renault. It is reported that, in return, PSA management is now looking to imitate Renault's proposals for its next offensive against its own workforce.

All these measures, designed to increase the profitability and competitiveness of Renault, are being advanced with the active support of the French government, which has a 15 percent stake in the company.

They are fully in line with the agreement for "job security" made last Friday between the French employers' federation Medef and the trade unions, encouraged by the Socialist Party (PS) government. It allows employers to impose greater "flexibility" and to destroy legal job protections in order to increase French capitalism's competitiveness at the expense of workers. (See: French unions agree to pro-corporate labor "reforms")

Renault and the government are unabashedly pitting French workers against those in Renault plants in other countries. *Le Monde* noted that Renault CEO Carlos Ghosn's assertion in America on Monday that, if he could get an agreement for his proposals from the unions, "the French site could be given the production of the Nissan or Daimler models, Renault's partners." *Le Monde* adds: "According to our information, Bercy [the French Finance Ministry] is pushing the corporation to transfer to France a part of the production done by Nissan in the UK."

In a deal negotiated by the Spanish unions with

Renault last year, work time was increased by 3 days a year, wages frozen and new hires' paid 72 percent of current salaries. Conservative Prime Minister Mariano Rajoy greeted this as a victory, claiming it would create 1,300 jobs and raise production in Spain by 30 percent.

The unions offer no alternative to a race to the bottom in wages and working conditions because they share the national perspective of the bourgeoisie, seeking to make industry in France globally competitive at workers' expense. They worked with the government and employers in the closure plans of PSA Aulnay and ArcelorMittal at Florange. *Le Monde* quotes trade union reactions expressing a total acceptance of Renault's plans: "If for the public at large these announcements seem shocking, there is realism in them," complained Fred Dijoux of the PS-aligned CFDT (French Democratic Confederation of Labour). "The non-replacement of leavers is a lesser evil, it means mass sackings or a site closure can be avoided."

Dominique Chauvin of the white-collar CFE-CGC (French Confederation of Managers-General Confederation of Managers), said, "We must now negotiate both realistically and opportunistically."

Only a break with these organisations will enable the working class to fight for its class interests.



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