

Unions sign French automaker Renault's plan to slash jobs, wages

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Trade unions at Renault approved a cost-cutting plan allowing the carmaker to eliminate jobs, lengthen working hours and freeze wages in factories across France.

On Thursday, the CFDT (French Democratic Confederation of Labour) union said it had agreed to sign the deal with Renault. The CFDT became the third union after FO (Workers Force) and the CFE-CGC (French Managers Union) to support the so-called “competitiveness agreement”. Unions and management concluded negotiations about the deal, which began in November, on February 19.

Renault needs the support of unions representing at least 30 percent of the workforce for a collective bargaining agreement to be valid. As the three unions represent about 63 percent of Renault's workforce, Renault can push the accord through. The unions will sign the deal after it is presented in the central works council on March 12.

The CGT (General Confederation of Labour) union made a show of symbolic opposition to the deal, calling it “social regression.” Its verbal opposition is entirely hypocritical, however. It kept silent as Renault negotiated the deal for over four months and it has done nothing to mobilize the working class against austerity throughout the auto industry.

Renault shares rose 3.5 percent to €51.69 in Paris trading on Wednesday after the unions approved the deal. Market analysts commented that the deal was significant and would boost Renault's competitiveness.

The deal allows Renault to cut its 44,600-strong workforce 17 percent by 2016 through attrition. The unions also agreed on a wage freeze for 2013 and a 6.5 percent increase in working hours. The cost-cutting measure enables Renault to save €500 million per year,

said Gérard Leclercq, head of Renault's French operations. Leclercq said in February that the labour concessions in France will allow the company to cut an average of €300 per vehicle from its costs.

French automakers are intensifying cuts amid sharp declines in European car sales. February car sales in France fell 12.1 percent compared to one year ago. According to the European Automobile Manufacturers' Association, Renault's new-car registrations in Western Europe fell 21 percent from 2011 to 2012.

Renault has already announced 8,260 job cuts in France by 2016. The new accord allows it to accelerate job cuts, extend working hours and freeze wages. The plan is part of Renault's broader strategy to cut production costs across Europe. Last year it signed an agreement with Spanish unions including flexible work schedules and hiring low-paid temp workers.

Union officials are speaking for management against the workers. Laurent Smolnik, a Force Ouvrière representative who negotiated the cuts, said: “Taking a risk on the future is better than having no future at all. We were stuck in a vicious circle that left no future for Renault.”

Renault CEO Carlos Ghosn praised the unions' support for the concessions. At the Geneva auto show, he said that Renault's competitiveness plan was an indispensable response to the crisis of the European car market. Ghosn said, “Many other countries will look closely at their competitiveness; the question will be who will move faster and more skillfully on this issue.”

In this global offensive against workers' living standards organized by the ruling class, the trade unions play a key role to organise the “skillful” cutting of jobs and benefits. Already last year they accepted concessions at auto factories including PSA Peugeot-Citroën's Sevelnord plant (See also: French unions sign

concession deal with automaker PSA)

Carmaker PSA Peugeot-Citroën has announced 8,000 job cuts in France and the shutdown of the Aulnay plant near Paris. Ford is closing plants in Belgium and in the UK; General Motors' Opel unit plans to shut down the Bochum plant in Germany with 3,000 job cuts.

The accord at Renault is a further indictment the pro-capitalist unions and the big-business administration of French President François Hollande, whose election was supported by the unions and petty-bourgeois “left” groups such as the New Anti-Capitalist Party (NPA).

While negotiating cuts with the bosses, the unions are blocking the emergence of opposition to job cuts and plant closures. While workers protest the closure of the Goodyear tyre plant in Amiens and PSA Aulnay, the unions are isolating their struggles plant-by-plant.

The Hollande administration hailed the Renault-union accord, which is a key part of its broader austerity agenda—including a labour market reform allowing employers to hire and fire, and a €20 billion corporate tax break. Labour Minister Michel Sapin said that the Renault accord was a “good deal” and it would be “better” if the labour market reform was already applied.

The Hollande administration's promotion of this deal rests on a series of cynical lies. French officials have promoted US President Obama's auto bailout in the US, advocating similar policies in France. Industrial Renewal Minister Arnaud Montebourg said, “The French government is inspired by the Obama model to defend industrial jobs. We are looking for exactly the same path to give strength back to French industry.”

In fact, Obama's bailout, supported by the United Auto Workers (UAW) union, allowed the auto companies to shut down dozens of plants, eliminate 35,000 jobs and slash hourly wages by half for new hires. Since the bailout, US automakers have accumulated tens of billions of dollars in profits. In exchange for supporting the impoverishment of its members, the UAW received a trust fund worth tens of billions of dollars.

While they impose savage mass layoffs on the auto workers, the French government and unions try to divide the working class along national lines and to promote French nationalism, claiming they are waging a campaign of “defending French jobs.”

By Montebourg's own admission, however, this campaign is predicated on imposing cuts to wages and conditions to increase the exploitation of the working class. Criticizing Renault for making only 500,000 vehicles inside France itself, he stressed on March 4 that Renault had proposed “in-sourcing the production of several hundred thousand vehicles.”

He added, “If efforts are to be made on the part of the workers, they must serve the cause of boosting ‘Made in France’.”



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