French automaker Peugeot-Citroën plans new mass layoffs

Stéphane Hugues
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Automaker Peugeot-Citroën (PSA) has announced new attacks on jobs and working conditions. In the last three years, thousands of workers have been sacked and the Aulnay-sous-Bois factory closed.

Last week, 3,450 new job losses were announced. Moreover, according to the daily *Le Monde*, "From today up till 2016, 11,200 employees will have to leave the auto company, 8,000 of which will be let go on the basis of a job security plan."

PSA immediately denied the stories in the press. However, over the last three years, it has always denied the first rumors of new attacks on jobs and conditions, before confirming them officially in meetings of the corporation's works council.

This has been a well-worn tactic of PSA for years: the company lets unofficial rumors of the cuts spread whilst denying them, so that the trade unions have the time to demobilize opposition among the workers. The General Confederation of Labor (CGT), the Stalinist union which dominated the Aulnay-sous-Bois factory, did this in 2013 before accepting the closure of the factory.

According to *Les Echos*, in the last ten years, PSA has cut 45,000 jobs out of a total of 127,000 staff by redundancies, factory closings and selling off subsidiaries—all with the support of the unions. *Le Monde* described candidly the unions' current reaction: "The trade unions at PSA, with the exception of a few CGT shop stewards, don't find it in themselves to get upset, even when jobs will continue their downward slide in the coming years." In reality, as at Aulnay, the trade unions, led by the CGT, will do everything in their power to impose these new attacks for PSA.

Christian Lafaye, an official in FO (Force Ouvrière—Workers' Force union) and Frank Don, a leading member of the CFTC (Confédération Française des Travailleurs Chrétiens—French Confederation of Christian Workers) told AFP that PSA was acting in the context of a Competitiveness Agreement, the "Disposition for the Adequacy of Jobs and Competencies (DAJC) 2014," signed in October 2013. This agreement, in exchange for keeping open the French factories of PSA, called for "structural adjustments (…) made gently and without constraint." The document for 2015 follows on from the DAJC 2014 which was signed by all the trade unions.

The news leaks came from the 244-page DAJC 2015 document, detailing the impact of the measures of the new 2015 Competitiveness Agreement. This document had been handed out to the unions in advance of the official presentation of the document by PSA at an extraordinary meeting of the Works Council last Monday.

PSA is targeting workers over 50, who represent 34 percent of the workforce and usually have the highest wages, and workers whose jobs are scheduled to be discontinued (29 percent of the workforce).

The document presented by PSA management to the Works Council contains a whole series of measures for 2015: 1,500 "Wind-downs for Seniors"; 1,400 "Internal Mobilities", 950 "Secured External Mobilities"; the arrival of 2,000 youth with "Alternating Contracts" and the hiring of 550 workers for "Job Skills under Tension."

For a worker with only a few years before retirement, a "Wind-down for Seniors" means accepting to work half-time for 70 percent of normal wages until retirement. "Internal Mobility" signifies being moved to a different job within PSA. "Secured External Mobility" means being moved out to a subcontractor, with the right to return to PSA within two years.

This last measure, which mainly targets the Poissy,

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Mulhouse and Rennes factories, seems impossible to attain without compulsion: in 2014, the measure was accepted by only 50 employees out of an initial target of 250. The new target is 950.

"Alternating Contracts" for youth signify a work contract for a fixed period varying from six months to two or three years. Youths are hired as apprentices, under special contracts for young workers from other European Union countries, or special subsidized research contracts for students having obtained their Master or PhD. Less than a third of these youths will receive a permanent job once their first contract ends. Of the 550 new hires for "Jobs under Tension" (i.e., where there is a shortage of workers with these skills), only two-thirds will come from these youths.

Thus the young workers hired are working from the start under low-paying conditions, knowing that two-thirds of their workmates will not receive a permanent job.

The PSA management plans to lower labor costs from 15.1 percent of turnover in 2013, to 12.5 percent in 2016, for savings of 1,100 euros ($1,373) in labor for each car off the production line.

What this means is slashing payroll and the workforce, once the temp contracts run out and as workers retire. Productivity will surge as workers are exploited ever more intensively.

In sum, 950 workers are fired, and 1,500 high-paid older workers' wages are cut by 30 percent. Already the workforce is reduced by an extra 750 because these workers now only work half-time. They are replaced temporarily with 2,000 low-paid youth. Of these youths, only one third will stay on with permanent contract. 1,400 workers are transferred to make them more profitable and 550 are hired for jobs where there is a shortage of workers.

These are, moreover, only the measures officially announced by PSA today. At Aulnay, PSA announced the first redundancies in 2013 and, a few months later, the closure of the entire factory. New attacks of this type will be made every year based upon the Competitiveness Agreement signed with the unions.

At the same time, the complexity and the rhythm of work are being increased by "compacting," a new organizational method adopted by PSA to increase the competitiveness of its factories. The business journal *L'Usine Nouvelle* (*New Factory*) explains it thus: "All PSA's French factories, apart from the Sochaux factory, will only have a single production line in 2016, on which five or six different vehicles can be built. This means complete flexibility: the greater production of one model will compensate the reduced production of another."

PSA has already begun putting this into practice—closures of production lines have been announced over the last two years in order to concentrate production in a single line per factory. *L'Usine Nouvelle* concludes: "PSA and Renault hope to saturate their sites by 2016. Inovev (a company which does analyses of competitiveness for the automobile industry) estimates that, in 2014, Renault factories will be at 56 percent capacity and PSA factories at 69 percent … With competitive production costs, the French sites want to win contracts from other factories in the same corporation, or from other contractors."

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