

# Schneider Electric lays off over 300 in Peru, Indiana

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Schneider Electric has announced the closure of its Square D production plant in Peru, Indiana, 80 miles north of Indianapolis, destroying more than 300 jobs. The French multinational says approximately 70 percent of the plant's production will be moved to Monterrey, Mexico, with the remainder shifted to plants in Texas and the US East Coast.

Corporate executives claimed the closure was necessary due to "competitive market dynamics and to meet the needs of Schneider Electric's customers." In reality, the closure is only necessary to meet profit goals for the investors.

Schneider's 2018 profits were \$2.73 billion, and CEO Jean-Pascal Tricoire pocketed an estimated \$7 million (€6.2 million) in compensation, according to Bloomberg.

The closure takes place amid a global assault on jobs and record corporate profits. Ford is expected today to announce the closure of its British engine plant in Wales, wiping out 2,000 jobs. This is the latest cut by global automakers, which have announced tens of thousands of layoffs since late last year in the face of declining sales and mounting signs of a new global recession.

In the first half of 2019, six employers in Indiana have fired over 2,200 workers. As one of the largest employers in Miami County, Indiana, Schneider's closure of the plant will have a devastating impact on the town of 11,000. Since 2017, the plant has cut 120 jobs, almost 25 percent of its workforce. The area already suffers from a 14 percent official unemployment rate with the real rate much higher due to the number of workers who have dropped out of the labor force.

Recent closures by KMart and Shopper Value Foods in the area have already hit working-class communities

with the loss of ancillary jobs and tax revenue, and this is expected to lead to local governments slashing education and other vital services.

Schneider Electric purchased the company Square D in 1991. In 2014, after a 13-day strike, the workers at the plant were forced to accept a concessions contract that froze their pensions and switched them to a 401(k) defined contribution plan. The contract pushed by the International Association of Machinists (IAM) and its 2017 successor gave the workers below-inflation pay raises. However, these concessions and the string of layoffs were not enough for Schneider's corporate investors.

The closure of the Peru facility was first announced in February 2019. Since then, the local government and the IAM have groveled before Schneider, offering tax incentives as well as wage and benefit cuts in exchange for keeping the plant open.

Tony Wickersham, a representative for the IAM, told the *Kokomo Tribune*, "We made proposals to show the company some additional savings that might have them change their minds to stay, and they're still intent to close. We tried to show them how much savings we could create through different means, but they're moving the plant."

Echoing Trump's national chauvinism, IAM President Robert Martinez sent a letter to Indiana politicians calling Schneider Electric a "French multinational company that has no regard for the talent or skill of American workers in Peru." Martinez, who receives more than half a million dollars in annual compensation, goes on to cite that IAM members at the plant make an average of \$24.55 while workers in Mexico earn \$3.49 an hour on average for doing the same work.

Far from fighting to unify US and Mexican workers

in a common fight against the multinational corporations, the unions have long peddled economic nationalism to demand endless sacrifices from workers in the name of improving “competitiveness” and corporate profits. The enemies of US workers are not Mexican, Chinese or any other workers, but the capitalist profit system, which subordinates the jobs and living standards of workers for the endless enrichment of wealthy investors and corporate executives.

The company employs 130,000 people in over 100 countries. Last year, workers in India struck against LuminousPowerTechnologies—ownedbySchneider—to fight unsafe working conditions. Maintenance workers employed by Schneider in Australia also struck at the Melbourne Airport against company plans to introduce a two-tier system with new employees hired at a substantially lower wage rate.

Earlier this year, Mexican workers at the *maquiladora* auto parts and electronics factories carried out strikes in opposition to the company-controlled unions and marched to the US border to unite with their American counterparts. Conditions are arising for a unified, international struggle against plant closings and mass layoffs.



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