

### **11.3 Labour market segmentation: the French car and building industries**

*The economies of highly-developed countries have undergone fundamental changes since the 1970s. Migrant workers have played an important part, sometimes bearing the brunt of the elimination of old forms of labour organisation, and sometimes providing the flexibility for the introduction of new forms. The 1970s and 1980s were a turning point for the restructuring of the labour process. An earlier version of the following case study was part of the main text of previous editions of *The Age of Migration*, and is taken here from the website of the fourth edition.*

The French car and building industries provide valuable case-studies for understanding changing work and employment patterns typical of the situation elsewhere. In many highly-developed countries, migrant workers became highly concentrated in the motor vehicle and building industries. These industries exhibited a pattern of foreign worker concentration in less desirable jobs that were frequently unhealthy, physically taxing, dangerous, monotonous or socially unattractive. In France, this state of affairs was shaped by many factors. In both industries, employment of foreign and colonial workers had already become traditional before World War II. In the post-1945 period, both industries faced a serious shortfall of labour, a problem solved by recourse to migrants. The legal foreign worker recruitment system aided employers by making employment and residence contingent on employment in a certain firm or industry - usually within one city or region - for a period of several years. Many foreign workers only gradually earned freedom of employment and residential mobility.

The recruitment system funnelled foreign workers into less attractive jobs. Employers might have had to improve working conditions and wages if it had not been for the availability of foreign labour, or they might have been unable to stay in business. Illegal alien employment was rare in the car industry: the size of firms and the presence of strong unions made it difficult. Illegal employment was common in the building industry, where it adversely affected wages and working conditions. This had the paradoxical effect of making the industry all the more dependent on foreign labour. As employment in the industry became socially devalued, employers could often find only foreigners to work for them. Similar processes affected female foreign workers, who became highly concentrated in certain sectors of manufacturing, such as clothing and food processing, and in service occupations such as cleaning, catering

and unskilled health service work. Undocumented employment of women was even more common than for men, since ideologies about foreign women as mothers and housewives made it easy to conceal their role in the labour force.

There was little direct displacement of French workers by foreigners. Certain types of jobs became socially defined as jobs for foreign labour and were increasingly shunned by French workers who, during the long period of post-war expansion, could generally find more attractive employment elsewhere. Indeed, massive foreign worker employment enabled the upward mobility of many French workers. This general process prevailed until the late 1970s or early 1980s, when France went into a prolonged recession and unemployment grew.

At the height of labour immigration in the early 1970s, some 500 000 foreigners were employed in the building industry. About a quarter of all foreigners employed in France were in this industry. In the car industry, some 125 000 foreigners were employed, representing one out of every four car workers. Only the sanitation services industry had a higher ratio of foreign to French employees by 1980 (Miller, 1984).

Employer recruitment strategies also contributed to labour market segmentation between French and alien workers. Some building industry employers preferred to hire illegal aliens because they could increase profits, through non-payment of bonuses and payroll taxes for instance, and they ran little risk of legal sanctions until the 1980s. Some motor industry employers deliberately sought to hire poorly educated peasants without industrial experience in order to frustrate left-wing unionization efforts. This strategy had the effect of making assembly line work even less attractive to French workers. In the same way, clothing industry employers found it particularly easy to pressure foreign women into undocumented and poorly-paid outwork; again a situation to be found in virtually all industrial countries (Phizacklea, 1990). In France, between 1983 and 1991, overall employment in the clothing industry fell by 45 per cent, but foreign worker employment rose by 53 per cent (OECD, 1994: 40).

The disproportionate effects of the 1970s' recession upon foreign workers in the car and building industries were incontrovertible. Although foreigners comprised one-third of building sector employees, they suffered nearly half of the total employment loss from 1973 to 1979, and declined to 17 per cent of the building industry workforce by 1989 (OECD, 1992: 24). In the car industry, total employment actually increased

by 13 000 in the same period, yet foreign workers were hard hit by layoffs, their number falling by 29 000. During the 1980s, tens of thousands of additional jobs were lost, with aliens again being disproportionately affected.

A report compiled by the *Fédération Nationale du Bâtiment*, the main French building sector association, revealed that total employment in the building sector declined by 11.7 per cent from 1974 to 1981. But the reduction of the foreign employee component, some 150 000 jobs, represented a loss of 30 per cent of the 1974 foreign workforce, whereas the 45 000 decrease in the number of French workers employed represented only a 3.9 per cent decline from 1974 employment levels. In other words, three out of every four jobs lost in the building industry from 1974 to 1981 had been held by foreigners.

Foreign worker employment in the building and car industries reached its height in 1974 and then contracted sharply. Nonetheless, according to a Ministry of Labour survey, foreign workers still comprised 28 and 18.6 per cent of the building and car building industries workforces respectively in 1979. This was all the more remarkable because, in addition to the halt in recruitment, the French government sought to reduce foreign worker employment through a programme offering a cash incentive for repatriation. There was also a *revalorisation du travail manuel* programme, which sought to substitute French for foreign workers through improving the conditions of manual jobs. Both the repatriation and *revalorisation* programmes fared poorly.

Prior to 1974, the car assembly industry was characterized by a high rate of foreign employee turnover. This pattern was profoundly altered by the 1974 recruitment ban. Major consequences of the stabilization of the foreign workforce in motor manufacturing were the ageing of the foreign workforce, its mounting unionization and socio-political cohesiveness as well as resentment of perceived discrimination against foreigners in terms of career opportunities. By the 1980s, most foreign car workers had been employed for at least five years by their company. At the Talbot-Poissy plant by 1982, for example, only one out of the 4400 Moroccan manual workers had worked there less than five years. Some 3200 of the Moroccans had worked there for ten years or more (Croissandeau, 1984: 8-9).

Eventually the pattern of ethnic stratification within French car plants became a major factor in labour unrest. The strategy of divide and rule practised by some

employers ultimately boomeranged when foreign car workers struck for dignity in the late 1970s and the early 1980s. The ethnic solidarity produced by the process of labour market segmentation in many French car factories was a key factor in the prolonged unrest. Again parallels can be found in migrant worker movements in other countries (for Australia, for instance, see Lever-Tracey and Quinlan, 1988).

Foreign workers often chose to join or to vote for various unions as a group, whether from a specific nationality or from a specific shop. Hence support could swing sharply from one union to another, depending on foreign workers' views of a union's specific programme on issues of concern to them. The volatility of ties to French unions stemmed in part from the parallel development of largely autonomous shop-floor organization among foreign workers. In many cases, shop-floor cohesion was based upon national or religious solidarity. By the 1980s, Islamic solidarity groups, whose loci of contact were Muslim prayer-rooms provided by management within the factories, had become an important force. In other instances, underground revolutionary groups affected the form of foreign worker integration into union structures.

The extraordinary sense of collective identity evidenced by foreign car workers by the 1980s stemmed from the stratification which bound together workers of similar ethnic and religious backgrounds in assembly line and other manual jobs. The concentration of foreign workers in unskilled or low-qualified jobs at Renault-Billancourt was typical of car plants which employed large numbers of foreign workers. With few hopes for professional advancement, many foreign car industry workers grew frustrated with their jobs. Their frustration and the difficulty of their work was reflected in rising absenteeism and generally less-disciplined work habits (Willard, 1984). Whereas employers once prized foreign workers for their industry and discipline, they began to complain of production and quality control problems. Employer misgivings over hiring of foreign labour were crystallized by a wave of strikes of primarily foreign workers which plagued the industry in the 1970s before rocking its very foundations in the 1980s.

The car workers' strikes hastened plans to restructure and modernize the French motor manufacturing industry. Both Peugeot and Renault, the two major automobile firms (Peugeot having acquired Citroën and Chrysler Europe in the late 1970s), announced plans to automate production through the use of industrial robots. Unrest

in French car factories continued sporadically into the early 1990s, but would never again reach dimensions comparable to those of the 1973-83 period. The building industry, with its weaker unionization rate, rampant illegal alien employment, widespread subcontracting and predominance of small and medium-sized employers, did not experience parallel unrest. However, economic restructuring, as seen through the window of these two French industries, had disproportionately affected immigrant employment, with far-reaching political consequences.

In other French industries, however, immigrant employment grew over the 1973-93 period. This was particularly true of services and the apparel industry. In other countries, similar seemingly contradictory developments have been documented. Migrants are disproportionately vulnerable to job loss during recessions and periods of economic restructuring in declining industries, but not in others.

The technological and spatial restructuring of the labour process that took place from the 1980s drastically changed the situation of migrant workers. The plight of laid-off Moroccan car workers in France was emblematic of a host of critical problems facing many industrial democracies. Even in the early 1980s, a Paris-area car plant typically finished painting cars by hand. Teams of migrant workers generally did the work and, in many cases, it was done by Moroccans. One-quarter of all Moroccans employed in France in 1979 were employed by the car industry alone. The Moroccans were recruited because they were eager to work, recruitment networks were in place and because they were reputed to be physically apt and hardworking people. But by 1990, most of the painting teams had been replaced by robots. Many of the workers were unemployed and, owing to their lack of educational background, there was little hope of retraining them to take jobs requiring more advanced educational backgrounds. Their only hope for re-employment lay in finding another relatively low-skilled manual labour job, but such jobs were disappearing.

Throughout Western Europe, economic restructuring led to alarmingly high unemployment rates for foreign residents by the mid-1980s. The labour market difficulties of laid-off foreign workers were compounded by several other worrisome trends. Immigrant children comprised a growing share of the school age population but were disproportionately likely to do poorly in school, to be early school leavers or to enter the labour force without the kind of educational and vocational credentials increasingly required for gainful employment (Castles, Booth and Wallace, 1984:

Chapter 6). The worst scenario involved the sons and daughters of the laid-off Moroccan car workers leaving school early and facing bleak employment prospects. The fear was of a US-style ghetto syndrome in which successive generations of an ethnically distinctive population would become entrapped in a vicious cycle of unemployment leading to educational failure and then socio-economic discrimination, and finally housing problems.

France faced an uphill struggle to ensure that the most vulnerable members of its society enjoyed a reasonable measure of equality of opportunity. Immigrants and their descendants comprised a large share of the at-risk population. This was the major motivation behind efforts to curb illegal immigration. It was generally felt that the groups most adversely affected by labour market competition from illegal aliens were existing minority populations.

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