US Firm Caught In French Labor Standoff

Maria Danilova, Associated Press Writer

PARIS (AP) — The French government was working Tuesday to solve a standoff between a U.S. company and its French employees amid allegations that the workers had attacked a manager while protesting job cuts.

Industry Minister Christian Estrosi met with executives of Illinois-based Molex Inc., an electronics parts maker which shut down its plant in southern France after charging that workers angry about the planned closure had injured an American manager and two security guards.

Labor representatives denied anyone was hurt, insisting the workers had only thrown eggs at them. The manager and the guards filed a criminal charge.

"All parties need to have a social dialogue to resolve the issues, understand the issues and come up with solutions," said Eric Doesburg, the manager who was the victim of the alleged attack. He added "We're very happy that we can get that process engaged moving forward out of today," though no breakthrough was announced at the end of the hours-long meeting.

Extreme tactics, including "boss-nappings" — in which workers hold their managers for several hours or days before releasing them, unharmed — have gained in popularity among French workers in recent months, as crisis-hit companies look to shed jobs. Some French workers have taken even more drastic steps, threatening everything from blowing up the company premises to inflicting environmental disasters in order to preserve their jobs or receive what they consider fitting compensation.

Labor unions say that employees who have dedicated years of their lives to companies, have mortgages to pay and families to feed deserve to be properly compensated for losing their jobs. Business representatives, on the other hand, warn that such rigid labor laws and hostile protests will discourage foreign companies from investing in France and creating businesses here.

Molex announced in October that it was closing down its plant manufacturing electronic car parts in the town of Villemur-sur-Tarn, outside the southern city of Toulouse, and laying off all its nearly 300 workers as part of its global restructuring program.

The company then launched complicated negotiations with its employees, agreeing to postpone the plant's closure until October this year. But those talks went awry in April, when angry employees locked up two managers for 26 hours.

The situation worsened in July, when the plant's workers went on strike, paralyzing production.

The company announced Aug. 5 that it was temporarily shutting down the plant after about 40 workers attacked a manager and two security guards. The company said the manager, Doesburg, sustained injuries and had to take a seven-day medical leave.

Labor union representative Denis Parise dismissed those accusations, saying the manager was merely pelted with eggs and was not hurt.

Since then angry workers have camped out outside the plant, demanding that they be allowed to resume work and paid their salaries.

Molex, which has operations in 18 countries, said it has had to lay off nearly 7,000 workers since June, 2008 due to the economic downturn. But nowhere else has the company seen such hostility on the part of employees, despite what they say are efforts to work out a solution, Molex said.

"We have never experienced this level of worker unrest and the violent actions, and threats associated with the Villemur restructuring project are totally unacceptable," Vice Chairman and CEO Martin Slark said in a statement. "This experience, with its violent attacks on people and property, certainly is not the type of environment that encourages or even supports business development or reindustrialization."

Molex said it was grateful for the French government's efforts to mediate the conflict and was hoping for a rapid resolution of the crisis.

But labor unions beg to differ, saying the company bears responsibility for its workers and must compensate them properly, commensurate with their experience and seniority in the company.

Some experts said irresponsible corporate practices were breeding violence among French workers.

"There are two excessive attitudes that feed each other," said Frederic Pichon, a Paris-based attorney specializing in labor law.

Pichon said that some large enterprises have been taking advantage of the financial crisis to cut costs and increase profit margins by laying off workers whose jobs could be preserved. That, in turn, has pushed workers to commit desperate acts and resort to threats, which he said should also be condemned and punished, he said.

"If we have such difficult and complicated labor laws, the risk is that foreign enterprises will no longer invest in France," Pichon said. "On the other hand, we cannot consider workers as some kind of interchangeable objects."

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Associated Press Writer Rachel Kurowski contributed to this report.