

# Court decision gives French employers green light for mass layoffs

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The French courts rendered a verdict on May 3, giving a green light to employers to carry out mass layoffs without giving any economic justification.

France's highest appeals court, the Court of Cassation, quashed a previous court judgment which forbade software manufacturer Viveo from laying off 64 of its 180 workers because the company gave no economic justification for its plans. Viveo is part of the profitable Swiss group Tenemos.

The leading business paper *Les Echos* expressed the employers' gratitude: "Company bosses are relieved. They denounced the interference of the courts in the strategy of firms, the Employers Federation (Medef) invoking 'the constitutional principle of the liberty to carry out business activity'."

The decision rendered by the appeals court immediately affects other workers who took similar action to those at Viveo in applying for legal protection against layoffs. Fifty-two workers at Sodimedical in Reims and 350 workers at Ethicon (part of the Johnson & Johnson group), producing medical equipment at Auneau, now face redundancy.

The Stalinist-led CGT (General Confederation of Labour) and other trade unions, which claimed workers could defend jobs by fighting in the courts, have been thoroughly exposed. CGT and CFDT (French Democratic Workers Confederation) sources estimate that some 50,000 jobs are now threatened.

The latest judgment ends any ambiguity about firms' legal power to treat workers as disposable. The court wrote: "The procedure for layoffs cannot be quashed in consideration of the economic cause of the layoffs ... only the absence or insufficiency of a plan to save jobs (PSE) [giving provisions for re-training, redeployment, and severance payments] leads to an annulment of the procedure."

Viveo lawyers argued that references to "economic motives" fell outside the Labour Code, and that layoffs could only be challenged and compensated for financially after being implemented.

CGT and CFDT officials sought to defend the lower court's judgment by noting that clauses requiring firms to present "economic motives" for mass layoffs would not, in fact, prevent most employers from sacking workers. This underscores the cynical and dishonest character of their attempt to convince workers that they can rely on the courts, and not on class struggle, to defend jobs.

CGT leader Bernard Thibault maintained that sackings without "economic motives" were "a relatively rare phenomenon." The lower court judgment the CGT was defending would only "affect a manifest social delinquency". Thibault's cynical and complacent comment ignores the fact that mass sackings of any kind are, in fact, a "social delinquency"—particularly amid a deep and intractable global economic crisis.

For his part, CFDT leader François Chérèque stressed that the lower court ruling would not prevent firms from firing workers, as laws exist allowing sackings for other reasons. For example, he said, "the possibility of laying off workers to preserve competitiveness will remain."

Hostile to a struggle to mobilize workers internationally to defend jobs, the unions base themselves on legal judgements and negotiations with the "social partners" to isolate struggles and demoralise workers into accepting job cuts.

They appealed instead to the bourgeois courts, or now to newly elected President François Hollande. CGT lawyer Philippe Brun reacted to the court judgment thus: "the future president of the Republic is invited to clarify the texts by indicating that in the absence of

economic causes in the layoff procedures, this procedure is null and void.”

Hollande had already given the thumbs down, saying: “The current legislation on economic motives for layoffs and PSE is quite satisfactory for most situations.” Hollande said he might introduce a bill obliging firms intent on factory closures to find a buyer, making no reference to requiring the new owners to keep all jobs.

The court’s decision has also implications for the long-running dispute at the Goodyear Tire factory in Amiens, where 817 workers have waged a four-year legal battle, trying to halt the closure of the car tire production plant.

The company sought to sell the farm tire production unit employing 537 workers to the American Titan group, once the 817 workers were fired. Each time plans for redeployment, re-training and voluntary redundancy (PSE) were challenged in the labour courts by the CGT and its lawyer, Fiodor Rilov.

On February 2, Rilov insisted at a mass meeting of Goodyear workers that a multi-national making huge profits could not legally fire its French workforce, for lack of an “economic motive”. He added, “We are a few centimetres from victory, making a multi-national retreat is possible.”

On May 4, CGT factory leader Mickaël Wamen and Rilov called a mass meeting of 400 workers to draw up a balance sheet of negotiations with the company. The court judgment of the previous day, giving the employers free rein to lay off workers, was not discussed.

The CGT and Rilov now claim to have an oral agreement to retain all the 817 jobs in car tire production, until these workers are redeployed in the farm production unit on the same wages and conditions. In exchange, the unions would agree to voluntary severance for those who left the company. Once the last worker was redeployed, the car tire plant would close.

In effect, the company is obtaining its objective through attrition. But such an agreement on voluntary redundancies would be a defeat for the local community and hand victory to the company, which would now be backed by the courts.

Rilov then appealed to Hollande to save jobs. Hollande visited the site last October in his bid to become the presidential candidate of the PS, promising

to promote a law to forbid layoffs in companies making huge profits like Goodyear.

It appears, however, that this campaign promise is one of many Hollande will rapidly abandon. In an April 15 letter to labor law firm Avosial on laws regarding layoffs, he said that it would “not be useful to modify this legal framework which today is well-fortified in jurisprudence.”



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