Mass layoffs in French nuclear energy industry threaten 6,000 jobs worldwide

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Plans for the restructuring of the French nuclear energy industry could lead to mass layoffs of 6,000 workers internationally. President François Hollande met on June 3 at the Elysée presidential palace with officials including Prime Minister Manuel Valls, Economy Minister Emmanuel Macron and Foreign Minister Laurent Fabius to discuss Electricité de France's (EDF) buyout of Areva's nuclear reactors branch, Areva NP.

The discussion came after Areva lost €5 billion due to asset depreciation. None of the ministers spoke after the meeting, but a government spokesman said: "The government is seeking a simple thing, to guarantee the survivability of firms in the nuclear industry. Work is being done on propositions that will be revealed by July." However, EDF's buyout of Areva NP had clearly been arranged some time ago, as the government agreed to the buyout on the night of June 3.

EDF is to become the majority stockholder of Areva NP, though Areva will remain a part owner and other industrial partners could acquire part of Areva NP's capital. EDF and Areva NP may then form a corporation that would oversee their nuclear plant design activities. The state, which holds 84.5 percent of EDF's capital and 87 percent of Areva, would then recapitalize the group, whose financial needs are evaluated at €7 billion, according to press reports.

Economy Minister Macron had repeatedly met with the trade unions between March and May to discuss the "game plan" for Areva's strategy. The unions responded positively to Macron's proposals. "We have taken note of the minister's proposals to reorganize the French nuclear industry, so that it functions well and that there is an end to the internal faction struggles that have undermined it in the past. It is a positive sign," said Bruno Blanchon, an official of the nuclear branch of the General Confederation of Labor (CGT) Mines and Energy division.

After Areva announced mass layoffs of 5,000 to 6,000 workers, including 3,000 to 4,000 in France, the unions criticized the "company's purely financial logic." On May 22, Macron again met with the unions to discuss the buyout offer, indicating that the government will make a decision this summer.

After the Fukushima nuclear disaster in Japan and the growing availability of energy from fracking, the nuclear industry is in deep crisis. Areva also faces problems on its next-generation EPR reactor after a flaw was found in steel being used to build the EPR reactor at Flamanville, as in China where the same reactor is being built.

France's nuclear reactors, now run by Areva, will require substantial investment in modernization. The restructuring of the industry to boost profitability and competitiveness will therefore demand substantial financial resources, which the state intends to extract from the workers through mass layoffs.

The layoffs are totally reactionary, dictated by the insatiable profit drive of the French financial aristocracy. To justify them, the state and the major corporations involved advance the justification that there is no money. In fact, major corporations worldwide have massive reserves of cash, coming largely from the printing of public funds by the Federal Reserve Bank in the United States and the European Central Bank (ECB) through so-called quantitative easing programs.

In an article titled "What are enterprises doing with their abundant cash reserves," *Le Figaro* reported that "US non-banking corporations today are sitting on $1.733 trillion in cash (cash reserves, immediately tradable financial assets). This is nearly $1 trillion more

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than in 2007, that is, a 117 percent increase in eight years. In Europe, corporations have $1.060 trillion available, or 43 percent more than in 2008."

EDF and French oil firm Total both have over $20 billion in cash reserves. These enormous sums do not include the cash distributed to shareholders as dividends and other forms of profit.

As *Le Figaro* notes, "corporations will invest only if they can obtain higher profitability in the medium term." According to Larry Fink, head of the BlackRock investment fund, this rise of cash reserves "sends a discouraging signal as to corporations' capacity to use their resources intelligently and to develop a coherent plan for value creation in the long term."

These comments underline that the world capitalist system is totally bankrupt. Incapable of meeting human needs, the international bourgeoisie is pillaging the resources of the planet anarchically to accumulate profits. Moreover, the various national bourgeoisies are engaged in cutthroat competition to make their economies more competitive at workers' expense.

The layoffs at Areva and elsewhere can be fought only by the mobilization of workers internationally on the basis of a socialist struggle against capitalism. This struggle cannot be left in the hands of the trade union organizations and their petty-bourgeois accomplices in the pseudo-left parties such as the New Anti-capitalist Party.

In France and internationally, these forces, bought off with a small fraction of the cash plundered from the workers, assist the ruling classes in their competition with other countries carrying out similar attacks on the backs of the working class. Their resources come in the final analysis from the same corporate and state cash flows that have built up the massive corporate money hoards, which are used to finance their collaboration with the state and the corporate heads in imposing austerity against the workers. This was highlighted by the scandal at EDF's works committee.

The General Confederation of Labor (CGT) union that runs EDF's works committee, the largest in France, was found guilty of embezzling funds in 2014. The money went to fund fictitious jobs and activities of the Stalinist French Communist Party, including the festival of its *L'Humanité* newspaper, with the approval of EDF management and thus of the state.

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