Mass layoffs announced at French retail giant Carrefour

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12 June 2018

After raking in billions of euros in profits for years by exploiting low-paid workers, French retail giant Carrefour announced last week that it would close down 272 stores it purchased from the Dia retail chain, laying off thousands of workers.

On its web site, Carrefour declares that it produced a net operational margin of €2 billion in 2017 on sales of €88.24 billion worldwide. Once depreciation, one-time expenses and other financial elements were subtracted from this sum, the corporation posted a net profit of €773 million.

At the same time, it is sacking thousands of workers. Of the 273 ex-Dia stores, only 29 found buyers, so that just 195 of the 2,100 workers affected will get to keep their jobs.

This mass layoff is only the first in a series of attacks on the workers that Carrefour management is planning with the complicity of the trade unions. Carrefour workers already went out on strike in late March to defend wages and jobs. However, now that thousands of workers are being fired, the trade unions are doing nothing to defend the jobs that are threatened in France or mobilize Carrefour workers around the world.

In February, Carrefour CEO Alexandre Bompard declared, "After a net loss of more than €500 million in 2017, the French division of Carrefour must put into place without any delay its plan for transformation." The company announced that after a "generally difficult" year in 2017, which it attributed to tough competition on world markets, 2018 would be a "turning point," the first stage of its Plan Carrefour 2022.

In fact, Carrefour's difficulties inside France are to a large extent linked to the record of management, particularly when it bought back the Dia subsidiary that it had spun off in 2014 in order to increase dividend payments to Carrefour stockholders, which totaled €2.4 billion that year. However, Carrefour bought back Dia's operations at an inflated price of €600 million, 50 percent more than the €400 million proposed by rival retailer Casino. The cost of this acquisition heavily weighed on the operations of Carrefour in France.

While Carrefour's profitability is also suffering from the collapse in consumer spending in Latin America, Carrefour management pointed to losses from the Dia stores they had bought back: "The operational losses of the ex-Dia stores have continued to weigh heavily on profit margins in France, to the tune of approximately €150 million."

Carrefour plans to resolve its difficulties on the backs of the workers, drastically cutting costs by slashing wages and jobs around the world. Bompard has said that some €2 billion in cuts will be needed to improve profitability.

Carrefour began with attacks on workers in Asia, which together with Latin America and Europe is one of the main centers of Carrefour's business. Profit margins turned very narrowly positive again in Asia in the first quarter of 2018, with €12 million in profits against €7 million in losses over the same period last year. *Le Figaro* wrote, "The corporation is getting the fruits of its action plan in China, particularly in terms of cost cutting, in what is still a very competitive environment."

Now, Carrefour is attacking workers across Europe. Talks on the Job Savings Plan (PSE) of the Carrefour-Proximity division began at the end of February, together with the Voluntary Departure Plan (PDV) affecting 2,400 staff in Carrefour's management centers—a process that Bompard said "needs dialog and pedagogy."

This underscores the reactionary character of the

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French unions' intervention to sabotage and sell out the struggles at Carrefour. At the end of March, they were forced to organize a strike, which workers overwhelmingly took part in to express their opposition to threats from management and its cut in profit-sharing payments to employees, which fell from €610 to €57. The Stalinist General Confederation of Labor (CGT) union declared that management's proposed solution, a €150 voucher for goods sold at Carrefour, would not satisfy the workers.

"All that to get just this?" asked CGT official Philippe Alard after the CGT-organized strike, adding: "We would be surprised if the workers will accept this."

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But the unions accepted the deal, strangled the strike, and have since then worked systematically to divide the struggles of Carrefour workers country by country, division by division, as Carrefour's operations are impacted by strikes in France and the powerful truckers' strike in Brazil.

Far from mobilizing Carrefour workers again to defend workers in the ex-Dia stores who are targeted for mass sackings, the union bureaucracies are trying to lull the workers to sleep or to demoralize them with impotent trade union complaining. Cyril Boulay of the Workers Force (FO) union claimed that there should be more job losses since Carrefour is not planning to spin off any more companies before the end of June.

CGT official Frédéric Roux lamented the announcement of mass sackings, despite "400 statements of interests from potential buyers on 200 Dia stores." According to financial magazine *Challenges*, the CGT bemoaned Carrefour's lack of interest in finding more buyers for these stores "and also questioned the good faith of the negotiations."

At Carrefour, as the CGT itself admits, the trade unions have been negotiating and helping plan the closure of ex-Dia stores and thousands of job cuts. Today, their strategy is to proceed with this process as quickly as possible, closing the ex-Dia stores before a struggle erupts.

The only way forward to defend those threatened with mass sackings is for Carrefour workers to take the struggle out of the hands of the trade unions and to form rank-and-file committees independent of the unions and link this struggle to the developing strike movement against Macron and strikes around the world.

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