

Furniture retailer Conforama announces 1,900 job cuts in France in 2020

Anthony Torres
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Compromised by financial scandal since 2017, South Africa's Steinhoff corporation is now announcing mass layoffs and store closures at Conforama, the French furniture and white goods retailer that it owns. After having made public a corporate restructuring plan for 2020, Steinhoff has just announced 1,900 job cuts at Conforama, together with the closure of 32 stores.

In the face of sharpening competition, resulting in particular from the growth of online shopping, large retail chains are attempting to boost profits on the back of already super-exploited workers. Conforama management's announcements of broad job cuts and store closures comes after multinational retailer Carrefour planned the elimination of 2,400 jobs and the closure of 272 stores last summer.

Conforama workers only learned about the mass layoffs occurring at their workplaces from the media. Amel Sbartaï, a white goods salesman at Conforama's Pont Neuf store in Paris, which is slated for closure, told the press: "We were not expecting this, management had told us that there was nothing we should worry about. We were told that the Pont Neuf store in particular was Conforama's flagship store. We were lied to."

Workers at the Pont Neuf store spontaneously refused to work and gathered for a protest against the closure of their workplace, temporarily shutting it down, as reportedly took place in a number of other Conforama stores.

Very broadly, a new intensification of the economic crisis is driving the ruling class and corporate management to mount fresh attacks on workers in all industrial sectors with the complicity of the trade unions. Major retailers are hard hit. Moreover, major auto companies including Ford, GM and VW have also announced tens of thousands of job cuts this year in Europe, America and internationally.

In a July 2 press release, Conforama tried to justify slashing staffing levels: "Since 2013, Conforama in

France has accumulated losses adding up to nearly 500 million euros [\$US564 million]." It added that the retail chain was confronted with "profound transformations of the retail sector and in particular the emergence of specialized retail. In this context, our company has not sufficiently adapted itself and it is suffering a drastic fall in the profitability of its network of stores."

Conforama added, "Steinhoff's financial difficulties have drawn attention to this unviable situation," which it claimed requires "strong and rapid measures to ensure Conforama's survival and to protect as many jobs as possible in the longer term."

The company's objective is "a return to equilibrium in two years," according to statements by sources close to management. Conforama had a net turnover of 3.4 billion euros in 2018. In April, the company made plans to obtain some 300 million euros in financing. Now thousands of jobs are to be axed as dozens of stores are shut down.

The trade unions are complicit in the attacks being prepared against the workers. A main works council (CCE) meeting scheduled for Tuesday morning, during which Conforama's corporate restructuring strategy was to be laid out in detail by management and the unions, was ultimately canceled as both the bosses and the union bureaucrats decided not to show up. However, another CCE meeting is planned for July 11, according to Abdelaziz Boucherit of the Stalinist-led CGT union.

On LCI television, Laurent Berger, the national secretary of the CFDT union, blamed the mass layoffs on company incompetence: "Management committed enormous strategic blunders, by investing for example in football when they would have done far better to invest in modernizing products and stores."

Berger was echoing the statements of corporate strategists seeking to justify the layoffs. Olivier Dauvers, a specialist in large retail operations, declared: "There has also been an insufficient modernization of the stores, it is

sort of unpleasant to go into a Conforama if you are a consumer, it is not the store that makes you dream the most if you are in the market for furniture.”

Moreover, online sales have absorbed a large share of the market for large retailers like Conforama. Even more than in its physical stores, it is in online sales that Conforama has fallen behind. E-commerce, which represents approximately 15 percent of the French market, only constituted eight percent of the company’s sales. Moreover, Conforama’s South African parent company recently revealed a six billion euro hole in its corporate accounts that threatens both Steinhoff and Conforama with bankruptcy.

Berger’s criticisms are hypocritical, however, since the 2020 restructuring plans were announced in April and were preceded by talks with the unions, who were fully informed that mass layoffs were being prepared. However, they did nothing. They neither sought to mobilize retail workers more broadly nor to unite them with other workers in other industries targeted by job cuts.

At Carrefour, the unions felt obliged to call a few symbolic strike days out of fear of losing control of the workforce in France. However, they demoralized the workers and isolated them from Carrefour workers in Latin America, China and internationally even as Carrefour management attacks jobs on a global scale.

To defend Conforama workers, the struggle has to be taken out of the hands of the unions. Workers need their own organs of struggle, committees of action formed independently of the unions and established political parties, to coordinate an international struggle. As the “yellow vest” movement continues, having illustrated the enormous power of protests organized via social media independently of the trade unions, the decisive question is to mobilize far broader layers of workers internationally in defense of jobs and social conditions and against the capitalist system.



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