Retail workers strike in France as wage cuts and layoffs spread

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Thousands of workers at Castorama, a DIY and home improvement tool and supply retail chain in France, have been engaged in work stoppages for the past week to oppose the company's refusal to pay thousands of euros in bonuses from the coronavirus pandemic.

Workers at approximately two-thirds of the 100 stores in France took part in work stoppages or protests actions throughout last week. The number of employees involved has not been reported, but the company itself admits that at least 20 percent of staff participated. Castorama employs 11,000 people across France. It is wholly owned by the British group Kingfisher, which also operates stores in Poland and Russia.

The company is using the agreement it signed with the trade unions last year to slash bonuses paid to employees. Previously the bonus was capped according to a workers' salary over the course of a year, but Castorama is applying it based on the last trimester, during which it was partly closed due to the pandemic. According to the unions, this works out to a cut from €3,600 to €900 for an employee earning just above minimum wage at €1,500 gross per month.

The claim by the French Democratic Labor Federation (CFDT) and the General Confederation of Labor (CGT) unions that they are shocked that Castorama is applying the most recent agreement they signed, rather than the meaning "as intended," is absurd. Workers are familiar with such clauses being routinely inserted into agreements behind their backs by unions and companies in backroom negotiations, allowing them to secretly cut workers' wages and benefits.

The fact that the company has been able to continue operations at all but one store despite mass opposition among staff to its wage-cutting shows that there is little confidence among workers in the unions, which are nothing more than labor-management partners of the corporations. The union has largely concentrated on holding demoralizing stunts, posting photos of workers holding up signs at stores that remain open.

Castorama is slashing benefits amid record sales since the end of the lock-down. It is using the threat of mass unemployment as a battering ram to cut wages while layoffs and closures spread across the retail sector.

Dozens of retailers have been placed in liquidation. Fashion retailer Camaïeu is in liquidation and may close, threatening 3,900 jobs. The potential buyers have said they would keep at most two thirds of the jobs.

Workers at home furniture supplier Alinéa outlet in Le Mans held a strike on Saturday against the planned closure of the store. The company is in liquidation, and potential buyers due to take control of the company on August 31 are reportedly planning to keep open at most 9 of 28 stores. None of the workers who took strike action belonged to a union, and the action included all the cashiers at the retailer, so that customers could enter the store but not buy anything.

The unions' central concern is to prevent a movement of the entire working class in France and across Europe against the wave of layoffs and austerity being pursued by the European ruling class. In France, the Macron administration has installed a new government headed by Prime Minister Jean Castex with the task of accelerating the austerity program that it has pursued since coming into office in 2017.

Castex has ruled out any return to a lock-down, regardless of the spread of the virus that has already killed over 30,000 people in France. With daily cases reaching over 1,100 in France last week, compared to a few dozen shortly after the deconfinement on May 11, it is clear that there is a resurgence of the virus. Castex declared on Saturday that a confinement "stops the spread of the virus, of course, but from an economic and social standpoint it's a disaster."

In other words, the potential deaths of tens of hundreds of thousands of people cannot be allowed to stand in the way of the profit-making of French corporations.

The Macron government is preparing a €100 billion economic stimulus package to be announced next month that will funnel more wealth into the bank accounts and stock portfolios of the super-rich. Sweeping cuts to pension, unemployment and other social programs are being prepared to fund the corporate handouts. All throughout, Castex is meeting continuously with the unions to organize this assault and attempt to suppress broad opposition to this policy in the working class.

On July 17, the government announced that it was postponing negotiations on its pension reforms with the trade unions until next year, and that it would delay the imposition of cuts to unemployment benefits until next year as well.

This has nothing to do with a change in policy. Castex and Macron have repeatedly stated that they are determined to push through unpopular cuts to the pension system, including the introduction of a points-based pension entitlement that can be used to continually decrease entitlements in line with budgetary requirements.

Castex stated that the postponing of the reforms was necessary because they were particularly "divisive." The pension reforms triggered mass strikes of railway and other public sector workers at the end of last year. The government is biding its time until it has pushed through more corporate bailouts, and potentially change the form of its budget-cutting.

The unions are hailing the Castex government, fraudulently claiming that it is turning away from austerity, to hide from workers the attacks that Macron and the unions are preparing.

CFDT head Laurent Berger responded to Castex's July 17 announcement by tweeting that "the CFDT leaves this meeting [with the government] with the conviction that there is a true sincerity on the part of the Prime Minister in his wishes for social dialogue."

Philippe Martinez, the head of the CGT, stated on France Inter on July 18 that Castex was "direct, and that is good when we have things to tell each other to not beat around the bush. … [Castex] knows the trade unions well, and he has a past that speaks in his favour."

Castex's "past" includes overseeing the restructuring of the public healthcare system as an advisor to the right-wing Sarkozy government from 2005 to 2007. He introduced the "Pricing-per-action" model, providing funding to hospitals based on the number of operations performed, which had a devastating impact on the health care system. However, he is known to have favoured pursuing these pro-business policies in close collaboration with the trade unions, which is the union bureaucracy's central demand.