

Spanish department store El Corte Inglés to slash 3,500 jobs

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One of Europe's largest retailers and an indicator of the Spanish economy, El Corte Inglés, has announced that it will slash 3,500 jobs, its largest job cut since its founding in Madrid in 1940. The proposal was submitted last week to the trade unions, who have already stated their readiness to accept job cuts this year amid mass unemployment.

Most El Corte Inglés stores closed only for six weeks during the total lockdown in the spring of 2020. Its supermarkets and online sales remained active during that period. Nonetheless, the company, with sales revenues of €15.267 billion, is justifying its latest decision by citing the economic impact of the virus.

From June to August, the company did not even make losses, thanks to the back-to-work campaign of the Socialist Party (PSOE)-Podemos government which has cost the lives of 100,000 people and infected over 3.2 million. It made a net profit of €64 million, recovering its normal activity since then.

Workers risking their lives on the front line for its profits were cynically given €300 gift vouchers to spend on the company's products. Many were given temporary redundancy (furlough) schemes if they were involved in non-essential activity. This is technically illegal if the company makes profits.

Predictably, its online sales increased, like those of other online outlets, during the pandemic. Before COVID-19, El Corte Inglés consolidated net profits of €310 million in the fiscal year 2019-2020 (between March 2019 and February 2020).

The giant retailer also plans to close a dozen of its 100 stores. This process already began in early 2019 before COVID-19 broke out with the closure of stores in the southern Spanish cities of Los Arcos (Seville) and Bahía Sur (Cádiz). The most recent closure was in Líñares (Jaén) in January set to destroy 223 jobs.

This was accepted by the Federation of Trade Union Associations of Department Stores (FASGA), the union with the largest presence in the firm, which claimed it saved 70 jobs during the negotiations.

The store closure at Líñares intersected with an incident of police violence in the town, leading to a two-day riot. It revealed the simmering explosive social conditions generated by the criminal herd immunity policy of the ruling class and decades of social counterrevolution.

Líñares has Spain's highest unemployment rate, above 30 percent and 50 percent among youth. The Socialist Party-Podemos government only brought the town under control with brutal violence, including the unprecedented use of live pellet ammunition by anti-riot police, leaving two protesters severely injured.

Underlying the company's job cuts is its furious competition with Amazon. Last December, El Corte Inglés created a new independent logistics subsidiary for storage and shipping management to compete with Amazon, aiming to offer its infrastructure to third parties, triple its business volume and make €1.2 billion.

In this business war, El Corte Inglés works closely with the unions. For years, the Podemos-linked CCOO trade union and the PSOE-affiliated UGT claimed that the main unions working in El Corte Inglés, FETICO (Federation of Independent Trade Workers) and FASGA (Federation of Trade Union Associations of Department Stores), were "yellow" unions.

That is, CCOO and the UGT openly stated that these unions collaborated with management at workers' expense.

In reality, of course, all the trade unions working in El Corte Inglés, irrespective of their origins, are based on the same nationalist, corporatist perspective. None

of them has acted in defense of workers' interests against the corporations and the ruling class. Since the earlier decades of the 20th century, there has been a universal degeneration of the trade unions. All of them play a critical role in isolating and suppressing workers' struggles, while collaborating with management in defence of competitiveness.

This was on full display this week. On Tuesday, CCOO, UGT, FETICO and FASGA formed a negotiating committee tasked with negotiating the job cuts with El Corte Inglés. After the meeting, the unions posted a joint statement stating their intentions to carry out discussions "with maximum dialogue." They pledged to seek "positive measures such as voluntary redundancies and good economic compensations for the workforce."

The unions falsely claim that the cuts will "not be carried out in a traumatic way but harmonized with the interests of the workers." They cynically added that they would have a "clear and forceful" position in the negotiation and would seek a better redundancy compensation "above legal limits."

In other words, they are willing to accept 3,500 job cuts without a fight.

Workers cannot put their hopes in the empty promises of the unions. In May 2020, the four unions reached an agreement with the company in which El Corte Inglés promised to "not promote any collective process of termination of contracts," in exchange for concessions from workers which they justified, citing the COVID-19 pandemic. Not even 10 months later, the company has broken the agreement, with the trade unions' support.

As for the PSOE-Podemos government, it is complicit in the job cuts. Sources at the Ministry of Industry told Vozpopuli: "We have found out from the press." This is hard to believe, however, as Industry Minister Reyes Maroto met with El Corte Inglés in January to discuss the job cuts they were planning.

Podemos Labour Minister Yolanda Díaz tried to maintain the fiction that she was ignorant of the cuts, claiming that there is "no legal obligation for companies to inform us of these processes. Although redundancy schemes of this size are usually forewarned, especially when there is such a fluid relationship."

In fact, there is little doubt that the PSOE and

Podemos are leading the drive to cut jobs at the company and thus be more competitive against Amazon. The PSOE-Podemos-controlled Credit Institute is the main guarantor of two loans in 2020, for €960 million and €1.2 billion, to El Corte Inglés. The same institute also worked with the European Investment Bank to give the company a grant of €110 million to "accelerate the digital transformation."

Workers should reject all job losses and all the manoeuvres and claims of the union bureaucracy. The only way forward for workers is to break with the trade unions and build independent rank-and-file committees at El Corte Inglés and other retailers, to coordinate a unified political fight in defence of jobs and against store closures.

Other retail workers are facing similar attacks. The ANGED association of department stores, which includes companies such as IKEA, Carrefour and El Corte Inglés, is in discussions with the unions to impose a salary freeze this year and increase the number of Sundays and holidays to work for more than 250,000 workers.

This would set into motion further redundancies, sackings and wage cuts that would serve as a blueprint for further attacks in the sector. Older workers accepting compensation will be unable to find jobs, amid mass unemployment. Last month added an additional 44,436 new jobless claims, pushing the total to number of unemployed to 4,008,789.

Such a fight can only go forward through the development of a broader political movement of the working class, based on a socialist programme directed against the austerity agenda and herd immunity policy being imposed on workers across Europe.



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