Mass layoffs announced in France at Auchan and Michelin

Anthony Torres
18 November 2024

Farmers are beginning nationwide protests in France and rail workers have announced strikes starting December 11, as workers face a wave of mass layoffs announced across Europe and internationally.

Supermarket chain Auchan has announced an unprecedented slashing of thousands of jobs in France. This comes amid mass sackings in the auto industry, with tens of thousands of jobs threatened at Volkswagen in Germany, as well as at Stellantis in the United States and internationally.

Beyond the 2,400 jobs threatened at Auchan, auto parts maker Michelin has announced the closure before 2026 of two factories in western France, Cholet and Vannes, threatening 1,254 jobs. Michelin nevertheless recorded a record €3.6 billion operating profit in 2023.

The restructuring planned by Auchan includes rationalizing Auchan-France's and Auchan-International's customer support services, as well as the international products department. Some 784 jobs are threatened, including 138 that are currently vacant. The rationalizing of Auchan's logistics operations for home deliveries threatens to close three warehouses that are to be replaced by drive-ins, axing 224 jobs.

In Auchan's supermarkets, 915 jobs would be cut. Three stores are to close—at Clermont-Ferrand, Woippy and Bar-le-Duc—as well as a smaller store at Aurillac and six shops. These would impact 466 jobs.

In the last quarter, France has lost 25,000 jobs. Milee, the distributor of publicity brochures, formerly known as Adrexo, has gone into bankruptcy. Currently, no one is offering to buy its operations. After several waves of mass sackings in 2024 the 5,000 remaining jobs are also threatened. France's Insee national statistics office confirms an economic downturn that is unprecedented since the beginning of the COVID-19 pandemic. Official projections are that unemployment will rise back over 8 percent this coming year.

These mass sackings are the response of the capitalist class to the international economic and political crisis triggered by the pandemic and the NATO war with Russia. As the pandemic began, trillions of euros in public funds were handed over to financial markets and major corporations for speculation to enrich the financial oligarchy and build a war economy. These policies, together with Europe's decision to cut itself off from cheaper Russian gas, has triggered an inflation crisis and vastly intensified the budget and debt crises of the major European states.

Trump's election victory in the United States has accelerated the decision of the European bourgeoisies to carry out mass sackings in Europe, amid mounting fears of the trade war policies Trump will employ against both China and Europe.

Workers must reject the massive attacks on jobs that are being prepared by all the NATO powers. The working class does not have to take responsibility for the devastation provoked by the irresponsible and destructive policies of imperialism and the financial oligarchy. Across Europe, the major corporations that live off public funds while preparing mass sackings must be nationalized in order to stop attacks on jobs and working conditions.

This requires an uncompromising political struggle against French President Emmanuel Macron's government and his NATO allies. State complicity in attacks on jobs is so transparent that it is becoming a subject even of official debate.

In a question-and-answer session at the National Assembly on November 5, Prime Minister Michel Barnier hypocritically declared: "I am not proud, ever, of a policy that would destroy jobs. I want to know what corporations have done with money we gave

© World Socialist Web Site

them. We will ask these questions, and we will see whether the money was well spent or badly spent, in order to draw lessons for the future."

The owners of Auchan are the Mulliez family, whose net worth of €28 billion makes them the 7th-largest fortune in France, according to the 2024 list established by financial magazine *Challenges*. Between 2013 and 2018 alone, this corporation benefited from €83 million in grants of public funds.

French Economy Minister Antoine Armand, while on an official visit to Calais, tried to lull Auchan workers to sleep, claiming: "The state will ensure that the defense of jobs remains at the center of the corporation's strategy, and that the priority during this transformation remains with jobs."

The Barnier government's promises are so many lies designed to hide its complicity in corporate jobs cuts. Already in 2020, as the pandemic began, the Mulliez family carried out one restructuring plan and used Macron's labor law reforms to declare bankruptcy, slash jobs and buy up other stores. This included the 98 stores of the Casino supermarket chain, whose total value is estimated at around €1 billion.

Now, to justify its almost 2400 layoffs, the corporation is claiming: "Since 2012, Auchan has undergone a constant fall in the number of customers in its supermarkets and a fall in its operating revenues. Over this period, and before the purchase of Casino supermarkets, its market share fell from 12.1 to 8 percent, its profits were reduced by €2.26 billion, and its EBITDA was divided by six. Given these results and in an ultra-competitive climate, Auchan must react."

The Workers Force (FO) union bureaucracy at Auchan responded by stating: "We must observe, yet again, that workers are being sacrificed in the name of profitability. FO elected representatives demand the opening of genuine negotiations and the guarantee that every workers will receive an employment solution, and total transparency as to economic motivations."

Stalinist General Confederation of Labor (CGT) bureaucracy chief Sophie Binet commented: "We are at the beginning of a genuine industrial bloodbath." It "will hit every industry," she said, as corporations want "always to raise profits" and "distribute their profits to shareholders." Binet claimed the CGT has a list of "nearly 200" mass layoff plans that are being prepared. She responded by appealing to state authorities for "a true industrial policy," so a corporation "cannot receive public funding if trade union officials do not give it their support."

Workers at Auchan and other corporations targeted by this wave of mass layoffs cannot expect that France's corrupt union bureaucracies will organize a struggle that can halt the offensive against jobs. They participated in the restructuring of the European economy by approving countless EU bank bailouts. They then aligned themselves with their own imperialist governments in the war with Russia in Ukraine, and the wasting of hundreds of billions of euros on this war and the building of a "war economy."

An international mass movement must be built from below, in the rank and file, using social media as did the "yellow vest" protests, to defend jobs and oppose the massive attacks that are now being prepared. It is not a question simply of mobilizing workers at one workplace, in one industry or in one country. The fightback against the European and global jobs bloodbath that the capitalists want to impose requires the international unification of workers struggle, the nationalization of major corporations, and the building of a socialist movement to stop the wars and trade wars waged by the imperialist powers.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site