

# France: Wave of mass redundancies throws Jospin government into crisis

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France's Socialist Party Prime Minister Lionel Jospin stands on increasingly wobbly legs. Social tensions in France have risen sharply and workers' protests against mass redundancies, privatisation and worsening conditions have taken place since the beginning of the year, in some cases being aimed directly against Jospin.

The bad news about sackings and closures arrives with depressing regularity, while at the same time record company profits are being reported. Well over 20,000 jobs are presently in the balance.

Moulinex-Brandt wants to shed 1,500 jobs in France (4,000 worldwide), the food manufacturer Danone has sacked 570 French workers (1,870 worldwide). The British department store Marks & Spencer has announced the closure of 18 branches in France, meaning the loss of approximately 1,700 jobs. Altogether on the continent the company is shutting 38 branches with 4,400 staff losing their employment.

Auto manufacturers Peugeot and Renault want to implement a three year savings program. Cuts are also expected at auto supplies firm Delphi, with 275 jobs going in France as part of a worldwide cutback affecting 11,500. In the same sector, Valéo is making 600 redundant and Dunlop 250. The shoe manufacturer André is sacking 450 workers and stocking maker DIM is shedding 300 jobs in France out of a worldwide cutback affecting 6,900. In the electronics sector, Alcatel, Philips and Bull all want to push through downsizing, and the French-German pharmaceuticals group Aventis has announced it will shut its factory in Lyon, meaning a loss of 800 jobs, as well as further factory closures.

At the airlines AOM, Air Liberté and Air Littoral some 7,500 people could lose their jobs, because parent company SAir and the financial holding company belonging to the principal shareholder, Baron Seillière, want to turn off the cash and would rather declare bankruptcy than stump up for the accumulated losses. Also the arms manufacturer EADS has announced sackings of between 1,500 and 1,800.

At the same time, French companies recorded massive profits at the beginning of the year. The CAC 40 stock index, which records the share prices of 40 large-scale enterprises, gained on the average over thirty percent; some, like oil company TotalFina, easily doubled their profits. While in 1999, the thirty largest French companies recorded profits of 121 billion francs (\$15.9bn), the twelve largest enterprises that have published their results for the year 2000 registered profits of 126.7 billion francs (\$16.6bn).

The financial world regards the announced mass redundancies as strategically indispensable, so that share prices continue to rise and attract capital, so that shareholders can look to future profits despite turbulence on the global stock markets and a weakening in the USA, and keep the cash pump primed.

On the other side, poverty has not diminished by any means: in France there are officially 4.2 million people living under the poverty line, comprising seven percent of the total population. The Jospin government announced proudly that unemployment had dropped from almost twelve percent to under nine percent. But these figures only record those who

register at benefit offices and who still have a right to claim. This applies to only 42 percent of all the unemployed, since all those who only worked for a short time, or were in poorly paid jobs not earning enough to pay contributions, or had not worked before—that is, particularly young people, the long-term unemployed and the poor—have no entitlement to benefits.

Permanent staff enjoying secure employment are being replaced by part-time or temporary workers—so-called "precarious" jobs. Thus the drop in the official unemployment statistics is accompanied by a worsening of living standards.

Faced with these attacks on the working class, what is the government's response? What is the result of almost four years of Lionel Jospin's rule, and a policy he has always characterised as "Yes, to the market economy, No to the free-market society"?

This policy has proved to be a chimera. The free-market economy also shapes society, so that there is no escaping from the capitalist logic of profit maximisation. The political control of the government over the economy is largely illusory. Jospin is a prime minister who dances to the tune of the large companies in the same way as Blair, Schroeder or Clinton.

Jospin reduced the budget deficit and the national debt, in order to fulfil the criteria for adopting the European single currency, the euro. He has begun the privatisation of numerous large state enterprises, as well as the energy and water utilities, introduced tax exemptions for medium-sized businesses and top managers. The introduction of the 35-hour week has in reality meant lower wages and the flexibilisation of working conditions. He has begun to replace the state-backed old age pension system with one based on private capital and he endorses raising the pensionable age in the public service.

Jospin has brought politicians such as Dominique Strauss-Kahn and Laurent Fabius into the Economics Ministry, who are regarded as economic liberals who respect the needs of big business. The government refuses to oppose the mass sackings, apart from raising a few easily evaded legal obstacles.

Prime Minister Jospin has left it to Elisabeth Gigou, his Minister for Social Affairs, to submit a bill to parliament making it slightly harder for large companies to institute mass redundancies. Under this legislation, enterprises would lose certain government subsidies, and be forced to pay some compensation. They will have to consult the unions before implementing any restructuring measures and allow sufficient time in their last months of employment for workers made redundant to gain new qualifications.

Marks & Spencer, a British company, forms a special case, with Jospin proposing that the Justice Ministry launch a court action against the French M&S management. The offence is their failure to consult the unions, which should be used to put the company under pressure. Marks & Spencer had announced it was to pay £2 billion to the shareholders, at the same time it was cutting 4,400 jobs worldwide, giving rise to a demonstration in London by delegations of M&S employees from France,

Belgium, Spain and Britain.

Encouraged by the more than hesitant reaction of the government, the employers' association Medef turned to the attack. Immediately after the first reading of the new bill for "social modernisation," Medef president Baron Ernest-Antoine Seillière described the measures as "dubious, archaic prescriptions". He demanded not only the revocation of this law, but also the entire legal framework of the 35-hour week.

Seillière is certainly in a position to exert pressure on Jospin: During last autumn's conflict surrounding the "reform" of the Unedic unemployment insurance scheme jointly administered by the employers and unions, Seillière held a one-on-one discussion with the Prime Minister and was able to push through an agreement he found acceptable. Jospin and Seillière are acquaintances of many years standing. Both attended the same class at the elite school ENA, even working in the same office at the quai d'Orsay (Foreign Office) at the outset of their careers. Since Jospin took office in 1997, Seillière has mobilised the bosses against any state intervention in the economy, and particularly against the 35-hour week. With his "social refoundation" project, Seillière is aiming to completely restructure the entire system of bi-partite social insurance schemes for unemployment, sickness and pensions, in the interest of business. Meanwhile, he is regarded as the undeclared leader of the opposition.

The government's half-heartedness is so obvious that several coalition members, above all the Communist Party, but also the Greens, have publicly and sharply disagreed with Jospin. This has increased the danger that the government could break apart prematurely, especially given the conflicts that followed its poor showing in the March local elections.

Out of the five parties making up the Jospin government—the Socialist Party (SP), the Communist Party (PCF), the Greens, the Left Radicals (PRG) and the "Citizens' Movement" (MDC) of Jean Pierre Chevènement—only the PRG is standing by Jospin. Chevènement, a friend of Jospin's for many years, resigned as Interior Minister last autumn in protest against granting Corsica partial autonomy and against strengthening the European Union. He is a fanatical advocate of a "single and indivisible French republic," and for this reason rejects both a strengthening of the role of the regional and the European institutions. After the local elections, Chevènement said publicly the *gauche plurielle* (plural left) coalition had died.

The Greens gained votes in the local elections among the rising urban middle class layers and are now the second-strongest party in the government. Since then, they have called for a greater role in government, and are demanding a faster and more radical strengthening of the European Union. They also favour allowing Corsica partial autonomy, and say the current proposals by Jospin do not go far enough. They are also calling for the introduction of proportional representation in elections, in order, as a small party, to gain more influence.

The Stalinist PCF suffered substantial losses in the March elections. Since then they have been trying to gain a higher profile and recover their lost support in the working class by dissociating themselves from Jospin and demagogically condemn his "inactivity".

The PCF is calling for a boycott of Danone products as a response to the company's mass sackings. This boycott, a completely useless means for preventing dismissals, is meant to be only symbolic, a "selective boycott for a limited period", as party chief Robert Hue said. In Calais, one of the cities hit by the Danone sackings, local Stalinist functionaries were even more overt: The boycott should not create any serious difficulties for Danone, since one "should not destroy a functioning tool". "On a world scale, it is only water off a duck's back, but in the local area it is very important", a civil servant from the Calais labour office said.

This could not express more clearly the fact that the "boycott campaign" is merely meant to appease those directly affected by the sackings and to give the appearance of doing something. Calais is one of the few cities to re-elect a PCF mayor in the last local elections. In this weakened form, the

boycott also found the support of the Greens as well as some Gaullist politicians.

How strongly the government parties are already drifting apart was shown again in the recent Corsica debate, in which they are completely divided both between and inside the parties. While Chevènement, together with a large section of the Gaullists, rejects giving even partial autonomy to Corsica, Jospin has the agreement of the SP and the Greens, as well as some of the rightwing regional parties, for his weakened statute. The PCF, as well as three other rightwing groups, want to abstain, but at the same time are calling for a law granting decentralisation for all regions.

Lionel Jospin no longer seems to think the *gauche plurielle* has much of a future. With the support of the liberals in the UDF, and against the votes of the PCF and the Greens, he has pushed through a change in election procedures, so that next spring the presidential elections will take place before the parliamentary elections. If the *gauche plurielle* were to fail in a first round of parliamentary elections, this would diminish Jospin's prospects for winning the presidency.

An almost hysterical personality cult, first seen around François Mitterrand when he was elected as France's first social-democratic president in May 1981, could well develop around Jospin, who regards himself as a sort of Mitterrand II at the head of the French state.

Whether he will succeed in this is questionable. A public opinion poll found that Jospin would have lost the presidential election, if it had taken place at the end of April 2001. Despite numerous corruption affairs, in which it can be prove he was involved, 53 percent of respondents would have still voted for President Jacques Chirac against 47 percent for Jospin.

Whenever Jospin comes into contact with the population he encounters rejection. This was seen following the flooding of the river Somme in northwest France, when Jospin finally visited those affected over four weeks after the events. The whole Somme *département* (district) in Picardie had been inundated and turned into an enormous lake at the end of March; 125 municipalities were flooded, 4,000 houses were under water and over 12,000 humans had to be evacuated, many of whom still cannot return to their homes. When Jospin arrived in Abbéville and was set to walk across the temporary wooden staging, some angry local inhabitants moved the planks aside and shouted: "Into the water with Jospin" and "Jospin, resign!".



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