

# French government withdraws “First Job Contract,” enlists unions in assault on job security

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President Jacques Chirac and Prime Minister Dominique de Villepin announced yesterday that new legislation will be drawn up to replace the “First Job Contract” (CPE), which sparked a massive wave of protests and strikes in recent weeks.

Leaders of the trade unions, some student unions and “left” political parties immediately declared the shift marked a decisive victory for the anti-CPE movement and signalled their intention to halt further mass mobilisations against the government.

Demagogic claims of “victory” by the unions and the “left” parties represent a betrayal of the anti-CPE movement. Their endorsement of the Gaullist government’s latest manoeuvre politically disarms workers and youth and paves the way for future free-market measures aimed at dismantling established workers’ rights and social conditions.

From the outset, the unions and the official “left” parties—the Socialist Party and the Communist Party—sought to stabilise the Chirac-Villepin administration and dissipate the movement of students, high school youth and workers in order to prevent it from challenging the French capitalist state.

Chirac announced yesterday morning that he had decided to “replace [the CPE] with a set of measures favouring the professional integration of young people with difficulty.” Very little information has thus far been released on the proposed new measures, but they are said to include tax concessions and subsidies to companies that hire young people deemed to be disadvantaged. More internships are also to be offered in the generally low-paid service sector, such as restaurants, hotels and nursing.

According to minister of employment and social cohesion, Jean-Louis Borloo, the reforms will involve a government outlay of 150 million euros (US\$182 million) in 2006, a minuscule sum that testifies to the token character of the announced measures.

While the government has presented these measures as aimed at boosting youth employment without altering existing employment protections, such claims cannot be accepted at face value. There is every reason to suspect that Chirac and the unions have agreed to jointly formulate further legislation in keeping with the basic thrust of the CPE. The government’s announcement yesterday followed days of discussion behind closed doors with the unions, which

have repeatedly emphasised their willingness to establish closer collaboration with the employers and the government.

The European Trade Union Confederation (ETUC), which the major French trade unions are affiliated to, last month held a “social summit” together with Europe’s leading business associations, including UNICE (Union des Industries de la Communauté Européenne). The unions pledged to support the “the modernisation of the EU social model” and implement the EU’s Lisbon Strategy, which includes proposals to implement pro-business tax cuts and reforms to healthcare and pensions, as well as increase labour market flexibility.

The French government has retained a series of other measures that, like the CPE, are designed to reduce labour costs to French businesses and intensify the exploitation of young workers. The Contract for New Hires (CNE), which permits companies that employ fewer than 20 workers to fire employees without cause during their first two years of employment, will remain in force.

The other sections of the so-called Equal Opportunity Law, of which the CPE was just one component, are similarly unaffected by the government’s latest announcement. The Equal Opportunity Law, which the government promoted as a response to last year’s riots in Paris’s impoverished suburbs, allows 14-year-olds to begin full-time apprenticeships and 15-year-olds to do night work, promotes police and army training for unemployed youth, and strips welfare benefits from mothers if various requirements are not met.

None of this has prevented trade union and student union leaders from endorsing Chirac and Villepin’s announcement. “A historic victory after a historic mobilisation,” Karl Stoeckel, head of the high school students union UNL, declared. “Today I think we can say that they [the government] have finally understood and that we are satisfied,” Julie Coudry, president of the university student union Confédération Étudiante, stated. She also said that student strikes and blockades of high schools and universities should cease.

Trade union leaders issued statements along the same lines. Jean-Claude Mailly of FO (Workers Power) declared the CPE “dead and buried” and added that “the goal has been achieved.” François Chérèque of the CFDT (French Democratic Confederation of Labour) similarly announced that “the objective is achieved.” Bernard Thibault of the CGT (General Confederation of Labour)

also proclaimed “success” for the anti-CPE movement, and said May 1 would be marked as a day of victory.

The two biggest university and high school students’ unions, UNEF and FIDL, were somewhat more reluctant. The students at several universities voted to continue the blockades after Chirac’s announcement, a fact demonstrating that the two unions are under considerable pressure from below. They upheld their call for further demonstrations April 11 and said the CNE and other sections of the Equal Opportunity Law should be withdrawn as well.

The Intersyndicale, a group of 12 industrial, student and high school student unions meeting Monday night stated its support for Tuesday’s demonstrations, but refused to call for the withdrawal of the CNE.

Despite all the self-congratulation, the immediate political consequence of the CPE’s withdrawal is the strengthening of the most right-wing elements within the French political establishment, above all, Interior Minister Nicolas Sarkozy. The unions bear direct responsibility for this, after collaborating with Sarkozy on ending the mass movement against the CPE.

Sarkozy has been universally recognised within both France and Europe as the primary beneficiary of the recent crisis, and he is the clear favourite to secure the presidential nomination of the Gaullist Union for Popular Movement (UMP) for next year’s election.

After staking so much personal credibility on the CPE, Villepin is now regarded as a lame duck. The latest opinion poll reported the prime minister’s approval rating at just 25 percent—equal to Chirac’s. “I wanted to act swiftly because the dramatic situation and the despair of many youth demanded it,” Villepin declared in a forlorn speech yesterday. “This was not understood by all, and I regret it.”

Sarkozy has attempted to forge a constituency through whipping up the most backward sentiments in France. He issues direct appeals to supporters of the neo-fascist National Front on the basis of hard-line anti-immigrant policies, and bolsters his image as a strong “law-and-order” man through constant appearances alongside riot police and other law enforcement agents. He has personally directed the police attacks on the CPE demonstrations, which have left dozens of people wounded and thousands arrested.

Sarkozy is one of the most outspoken proponents of “rupture” with France’s established social protections and employment security provisions, and has argued in favour of US-style “free-market” reforms. His differences with Villepin over the CPE were not based on the substance of the legislation, but rather on Villepin’s failure to seek the prior backing of the trade unions. Sarkozy favours a corporatist model, in which the unions are effectively integrated into the state apparatus in order to help suppress popular opposition to government measures.

The trade unions in France, as in Europe as a whole, have long fought to establish their credentials as constructive “social partners” of the ruling elite. Their alignment with Sarkozy is neither accidental nor incongruous. The unions agree with the bourgeoisie that it is impossible to maintain existing workers’ wages and conditions in France within a competitive global capitalist system.

The question, for both the unions and the ruling elite, is how to

break workers’ resistance to free-market reform. Many union bureaucrats undoubtedly consider an authoritarian government under Sarkozy as a potential means of preventing further upsurges in the working class that threaten their privileged positions.

There is, moreover, no doubt that Sarkozy’s anti-immigrant and “law-and-order” policies are received with considerable sympathy within sections of the union leadership. Much of the bureaucracy’s personnel are drawn from the lower-middle-class strata to whom Sarkozy appeals, while many other union officials were trained in the chauvinist traditions of French Stalinism.

Sarkozy has already indicated that he is preparing to take the lead in advancing further “free-market” measures. According to *Nouvel Observateur*, shortly after Chirac’s announcement on the CPE, Sarkozy scheduled a meeting of senior UMP deputies on May 15 to discuss further reforms “necessary in order to modernise France.”

Other ministers also indicated their determination to press ahead with reforms. Jean-Louis Borloo told *Le Monde* yesterday that the government was planning further discussion with the trade unions on labour market “flexibility.”

“We want to discuss with the social partners [i.e., the trade unions and the employers’ federation] about the problems concerning judicial security of job contracts: security for the wage earner but also for the employer,” he said. “One can raise the question of the flexibility by connecting it to complementary guarantees for the two parties.”

Like the trade unions, the “left” political parties all responded to the government’s announcement yesterday by declaring a great victory for workers and youth. The Socialist Party, Communist Party, and Ligue Communiste Révolutionnaire have all served to keep the Chirac-Villepin administration in power throughout the CPE crisis, despite its enormous weakness and isolation. They are now promoting the illusion that the government’s right-wing attacks can be defeated by mass pressure alone, when, in fact, the first demand of the mass movement must be the removal of the Chirac-Villepin government.

Only on such a basis can a struggle be advanced to install a new government that genuinely represents the interests of workers and youth, rather than a tiny layer of financial oligarchs. The critical task is that of breaking from all the established parties and trade unions and building a new political party based on a revolutionary socialist and internationalist perspective.



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