

France: Unions passive on public sector job cuts

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The government of French President Nicolas Sarkozy has announced that it will carry out massive job cuts in the public sector workforce, with one third of retirees not being replaced in 2008. The unions, however, have said that they will not begin preparations for strike action in opposition to the budget's passage.

On August 30, major media outlets confirmed that widely rumored job loss figures, which had been publicized for a month, were in fact incorporated into this year's budget. A total of 22,800 jobs will not be replaced.

Public education will be the biggest loser (with 11,200 jobs lost), followed by the defense ministry (6,037 jobs), the finance ministry (2,600 jobs), and the interior ministry (2,300 jobs). The only ministry whose personnel will grow is the justice ministry, where 1,600 jobs are being created in eight new penitentiaries and a hospital prison in Lyon. Higher education and research staffing will remain at current levels.

Economy and Finance Minister Christine Lagarde called it an "austerity plan for the public sector ... we want to balance our expenses and our revenues." As these revenues have now been reduced—in the law on Work, Employment, and Purchasing Power, which sharply cut the tax rate on the highest income brackets—this is, among other things, a policy of transferring funds from the public sector workforce to the wealthy.

Making clear that massive cuts in the public workforce would continue, Lagarde added: "We are not exactly within bounds because we are not replacing one third of retirees in 2008. In 2009, we will arrive at [our goal of] not replacing one half of retirees."

Public opinion polls indicate that this measure is quite unpopular. In an August 11 Ifop poll published in the *Journal du Dimanche*, 61 percent of those polled opposed it.

The timing of official confirmation of the job cuts is significant. It came on the heels of an August 24 conference of the French trade union confederations, after which they announced that they would not make any plans at the present to organize strike action against the job cuts.

The reasons the unions gave for putting off strike plans were transparently bogus. They made the outlandish claim that they could not begin organizing industrial action because some of their members were unreachable due to the summer holidays.

Eric Fritsch of the CFDT (Confédération Française et Démocratique du Travail—French and Democratic Labor Confederation) said, "Before deciding on a potential strike, let's wait for personnel to come back from vacation so we can consult them." Jean-Marc Canon of the CGT (Confédération Générale du Travail—General Confederation of Labor) made the same point, declaring that since some public sector workers were still on vacation like the rest of Frenchmen, calling for a day of action was not on the agenda.

For the time being, Canon said, the unions would limit themselves to telling Sarkozy they wanted him to "carry out a radical change of course."

Interviewed by the *Journal du Dimanche*, members of Public Workforce Minister André Santini's staff said, "Finally, we don't have worries from that quarter anymore!" The *Journal du Dimanche* wrote, "For Nicolas Sarkozy, the mobilization of the public sector workers was the main danger of the coming school year."

Many of the top union bureaucrats who played a role in the decision to take no action against the job cuts have established close ties to the new president and the pro-business circles in which he moves. The day before the union conference, François Chérèque, national head of the CFDT, dined in private with Sarkozy at the exclusive "Violon d'Ingres" restaurant in Paris. Upon leaving the restaurant, Sarkozy told the press that Chérèque "understands that France needs a powerful movement of reform."

Chérèque commented: "I told [Sarkozy] fairly firmly, fairly clearly: let us negotiate, let us prove ourselves before taking decisions on the topics of our negotiations." A Reuters reporter who asked CFDT officials about this meeting wrote: "The CFDT stressed that this lunch was in

no way exceptional, since the French president had already seen the general secretary of the Force Ouvrière (FO) trade union, Jean-Claude Mailly, under similar conditions, and he was preparing to meet with other trade union leaders.”

On August 27, Sarkozy met with Mailly at the Elysée presidential palace. David Martinon, an Elysée spokesman, said Sarkozy and Mailly “had met before the summer. This is thus the continuation of regular meetings between the two men.”

The unions are meeting and providing political cover for Sarkozy as a worsening economy is beginning to deflate the lies that have been used to promote Sarkozy’s “free market” program. Promises that workers could increase their purchasing power by working longer hours have lost credibility in the face of growing price inflation for key commodities.

Over the last year prices have risen 40 percent for butter, 7 percent for gasoline, 8 percent for bread, and 7 percent for Paris subway tickets, according to figures published in the daily *Libération*. According to a poll cited by the British *Guardian*, over two thirds of French people did not trust the Sarkozy government to control inflation.

Economists unanimously regard the economic growth predictions on which the state budget is based as overly optimistic. Instead of 2.5 percent growth for 2007 forecast by Sarkozy’s government, analysts at Crédit Agricole and BNP Paribas banks have estimated GDP will grow by 1.8 percent (according to Crédit Agricole) and “slightly under 2 percent” (according to BNP Paribas). This will create further budget problems, as tax receipts will be below anticipated levels.

Reduced economic growth will crimp not only state budgets, but also job creation, just as the new government is attempting to cut welfare spending and lengthen working hours. According to the Xerfi market research firm, the French economy created only 3,600 jobs (in a country of 60 million people) in the second quarter of 2007.

On top of this, there are serious concerns about how the meltdown of the US subprime mortgage market will affect French capital and economic performance. On August 9, BNP Paribas halted redemptions of \$3.8 billion that its subsidiaries had invested in US mortgage-backed securities.

The French bourgeoisie’s response was articulated by Sarkozy at an August 30 meeting of the Medef (Mouvement des Entreprises de France—Movement of French Enterprises) business trade group. Before an audience of businessmen and trade unionists (Chérèque and Mailly were present), Sarkozy gave a 57-minute speech on his pro-business goals. He called for non-replacement of one half of retiring public sector workers, going “much further” in dismantling the 35-hour workweek, new procedures for firing workers

(cynically called “amiable separations”), and cutting business taxes.

Despite the populist noises made by Sarkozy in his Medef speech—saying that banks should not lend “more or more easily” to speculators than to ordinary citizens—his economic program is extremely unpopular. It is essentially the same program, though carried out more quickly and aggressively, that prime ministers Jean-Pierre Raffarin and Dominique de Villepin attempted to implement in 2003-2007.

These politicians met massive hostility in the working class, and the unions felt compelled to organize demonstrations against pension reforms (in 2003) and the First Job Contract (in 2006). Millions of workers participated, but the union bureaucracy was able to defuse the movement by spacing out the planned demonstrations and refusing to call for a general strike and a political struggle against the government. As a result, unpopular governments remained in power and the reactionary measures passed in the National Assembly.

Sarkozy’s arrival in power represents a victory for the factions of the French bourgeoisie who want to force a settling of accounts with the workers. Sarkozy is willing to meet repeatedly and at length with the union tops because he realizes that they are his best weapons to disorient the working class and head off a political explosion.

The unions—endlessly negotiating with Sarkozy, even though his anti-worker orientation is palpable to any thinking observer—provide crucial plausibility for Sarkozy’s claims that he is trying to find solutions to improve life for all French citizens. By refusing to call strikes, the unions are acting as a brake on the class struggle and a barrier to the working class’s attempts to deploy itself against anti-social reforms.

The unions see themselves as trying to stabilize French capitalism. As FO chief Mailly said in a September 6 interview with the business daily *Les Echos*, “We enter these negotiations in a positive manner, wanting to compromise. For that, the bosses must also play along.”

Despite the supposed popularity of Sarkozy’s new government, the political situation in France is balanced on a knife-edge. The main political factor allowing Sarkozy to continue his plotting is the rottenness of the leadership of the workers’ movement.



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