

France: Socialist Party and unions support government cheap labour scheme

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As the return to work following the summer holidays gets under way in France, President Nicolas Sarkozy has attempted to head off a continuation and intensification of widespread protests against price inflation. In the period leading up to the holidays, fishermen, farmers, lorry drivers and many sections of workers participated in mass protests.

Sarkozy's approval ratings as the self-styled "president of purchasing power" had plunged to below 40 percent as a movement developed in France and throughout Europe against rising food and energy prices. Opinion polls revealed that a large majority of French people did not believe he would or could halt the decline in living standards.

Sarkozy announced at the end of August that he was going to implement a one-and-a-half billion euro program, the RSA (Active Solidarity Revenue), to get low-paid workers out of the poverty trap through a state financed addition to their wages, and thus encourage the unemployed back to work. An indication of the government's anxiety about its social isolation is that the measure, originally due to be implemented in 2010, has been brought forward to 2009. It was approved by the council of ministers last week.

The RSA will not alleviate poverty. Some 8 million people in France live below the official poverty line, defined as less than 60 percent of the median income. This includes 6 percent of the employed population. The measure will have no appreciable effect on the poverty figures. It is estimated that between 3 million and 4 million people may receive some benefit from the measure, of which two thirds are in low-wage jobs.

Economist Thibault Gajdos, a researcher at the Sorbonne University Economics Centre, pointed out in a September 2 article in *Le Monde* that recent "massively regressive" tax reforms since Sarkozy was elected last year have enriched the most wealthy to the tune of €6.7 billion. Gajdos notes, "The RSA will not better the living standard of those on benefits who do not manage to find a job. Indeed the relative level of social welfare has been declining since the '90s. For a single person, in 1990, the RMI [subsistence benefit] was 34.9 percent of the median income, as against 30.1 percent in 2007. The RSA will not stop this tendency."

Gajdos adds, "The income of the top 1 percent of families increased between 1998 and 2005 by 20 percent while the median income grew by only 4.3 percent in the same period." The gap between the median income and the poverty line went from 16.3 percent in 2002 to 18.2 percent in 2005. He comments, "The RSA

supplies no answer to this. Worse, it implies that there are two sorts of poor: on one side the hard-working, who deserve to be helped, and on the other those denied work who must be abandoned to their fate."

The program will require RSA recipients to accept any job after having refused two "reasonable" offers or else face the cancellation of their benefits. This means that workers will have to accept part-time jobs on short-term contracts at the lowest rates of pay and conditions. Employers will be able to use them as a pliable workforce to be taken on and discarded according to market fluctuations.

One of the main demands of the retail workers' strikes earlier this year in the main supermarket chains and other outlets was to be able to work a full week. The workers were angry that they could be used to fill unpopular time schedules and work in split shifts, often at late hours. The largely female workforce found such working conditions very difficult to reconcile with family life.

A study, reported in *Nouvel Observateur* on August 1, found that of the 12,400 families in pilot areas that are working and receiving the RSA, only 18 percent are on permanent contracts, 26 percent are on short term and temporary contracts and 30 percent are in state-aided jobs. The magazine reports, "For the economists Pierre Concialdi and Denis Clerc, the RSA carries the risk that employers will multiply short-term or low-paid part-time jobs and profit from the fact that RSA workers get a supplement from the state."

The sociologist Noëlle Burgi stated to AFP news service, "The RSA may well multiply bad bit jobs and institutionalise a second job market based on job insecurity."

Some commentators called the government's decision to bring forward the RSA a masterstroke. By taking up a proposal developed by Martin Hirsch in 2005, when he was a leading member of the Socialist Party (Parti Socialiste—PS) and president of the poverty charity Emmaüs, Sarkozy was hoping to undercut the PS and recoup credibility as a defender of the purchasing power of workers. At the same time, Sarkozy's decision to finance the scheme with a 1.1 percent increase in tax on unearned income was seen by critics in the ruling UMP (Union for a Popular Movement) and the main employers association MEDEF (Movement of the Enterprises of France) to signify a repudiation of Sarkozy's promise to cut taxes.

However, the fact that the tax will be levied largely on modest savers and will not affect the ultra-rich, who are protected by a

“fiscal shield” from being taxed on more than 50 percent of their wealth, has also produced a popular backlash.

An indication of the establishment’s hatred of oppressed workers and profound xenophobia was displayed in the August 29 editorial of the right-wing daily *Le Figaro*, which consistently supports the Sarkozy regime. The newspaper suggested that the €1.5 billion needed to fund the measure should not be raised from the proposed 1.1 percent tax but by suppressing medical coverage for the *sans papiers*, or undocumented workers. “If Nicolas Sarkozy thinks it is right ‘in a solidarity effort’ for everyone to help the poor to escape from exclusion, he could have also thought of making the illegal workers contribute by abolishing State Medical Aid, which costs €800 million per year.”

The reaction of the Socialist Party and the trade unions has been largely to approve of the RSA. *Le Monde* reported on August 29 that the PS first secretary, François Hollande, “estimated that the Socialists and the left “have finally been listened to.” Former PS minister and contender for the leadership of the party, Martine Aubry opined, “This measure is a step in the right direction but it is all the same very modest.” Former PS prime minister Michel Rocard declared August 30 that the RSA was “good news.”

In an interview in *La Tribune*, Maryse Dumas, secretary of the CGT (General Confederation of Labour, close to the Communist Party), and member of the Hirsch Commission, declared, “We are favourable to the idea of social aid that will increase unemployment benefit, or a very low wage.”

Asked whether she actually subscribed to the RSA she replied, “We have slight differences. We are favourable to every hour worked being really a plus for the person concerned. But we will be more than vigilant that the employers do not find in this system a new opportunity to develop bit jobs ... on the pretext that the aid will compensate low salaries. That would mean creating even more poverty workers.”

The Socialist Party has a long history of instituting and supporting schemes that are portrayed as helping the youth and the unemployed to find work, but which, by providing cheap and subsidised labour for the employers, serve to undermine the general level of wages and sap established rights and salaries for all workers. They have largely been supported by the trade unions.

Unemployment took off at the end of the 1970s with the end of the postwar boom. In 1982, President François Mitterrand and Prime Minister Pierre Mauroy set up “training periods” for youth, giving employers virtually free labour. This was at a time when 7.5 percent of the population and 20 percent of the youth were unemployed. In 1983 employers signed an agreement establishing the SIVP (Training Period for Insertion into Professional Life), which paid between a third and half of the SMIC (legal minimum wage). The unions worked to institute the agreement.

In 1984, with unemployment at 10 percent and 25 percent for youth under 25, PS Prime Minister Laurent Fabius launched the TUC (Work of Collective Utility), establishing half-time jobs for youth in public services. These jobs, on a six-month contract, paid at a little under the SMIC and made no contribution to pension or unemployment benefits.

In 1990, Michel Rocard, then PS prime minister, replaced the TUC with CES (Solidarity Employment Contracts) for youth:

12-month, half-time contracts in public services on half the SMIC.

In 1993, the Gaullist government of Edouard Balladur attempted to impose the CIP (Contract of Professional Insertion), commonly known as the *Smic-jeune* or Minimum Youth Wage, for graduates of higher education without a job. This move would have permitted employers to pay young workers 80 percent of the SMIC. A huge mobilisation of university and high school students forced Balladur to abandon the project. However, when Lionel Jospin’s Plural Left government (PS, Communist Party and Greens) took office in 1997 it set up the Youth Jobs scheme, largely for young workers with post baccalauréat qualifications. The exploitation of these young workers enabled the setting up of information technology facilities in schools throughout France at a minimum cost.

Bernard Thibault, general secretary of the CGT, in an interview in *Le Monde* September 2, warned Sarkozy that he “should beware. The suffering of the workers is real. Greater than a year ago.” He was adding his voice to warnings by other trade unions to the government that feared this time the unions might not be able to contain the mass movement of the working class and the youth. Last week Jean-Claude Mailly of Force Ouvrière (FO—Workers Power) had said “all the signals are on red,” and François Chérèque of the CFDT (French Democratic Confederation of Labour) expressed the fear that reactions to the government’s dismantling of the welfare state might “open the way for demagogues.”

Thibault announced a day of action and demonstrations for October 7 with the demand for “Decent jobs and wages, secure jobs or social protection.” He added, “In this situation what is urgent is action and unity.”

The hypocrisy of this call is underlined by a glance at the dispersed series of actions for the return to work announced by the trade unions, which have worked closely with Sarkozy to impose his programme of destruction of workers’ rights and conditions since his election in May 2007. This is precisely the method practiced to frustrate workers’ resistance and deprive them of a political perspective.

The priority of the unions is to render French capitalism competitive against global rivals and attractive to investors, which requires the destruction of the standard of living and social and democratic rights of the working class. Only a break with these forces on the basis of a socialist and internationalist programme will enable the working class to defend and enhance its living conditions.



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