

# Socialist Party pledges austerity after France loses AAA credit rating

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François Hollande, the Socialist Party's (PS) candidate for the 2012 French presidential elections, responded to Standard & Poor's credit downgrade of France from AAA to AA+ status by signaling his support for further social cuts.

Interviewed by *Le Monde* regarding Finance Minister François Baroin's promise that there would be no "further austerity plan," Hollande replied: "Who can believe this, when [economic] growth will be half a percent instead of the announced one percent, that we will be able to attain the goal of reducing our deficit by the end of the year? This is all the more important because the cost of our debt will increase due to the loss of our AAA rating."

Denouncing the downgrade as a "failure" of conservative President Nicolas Sarkozy's current five-year term, he added that if elected, he would begin his presidency with policies aiming for "the turnaround and the restoring of the good health of public finances, and to industrial policy."

The programme of Hollande and his supporters in the French bourgeoisie is completely reactionary. A policy which does not involve confiscating much of the big bourgeoisie's wealth can only restore public finances through disastrous cuts in social spending, which are now taking place throughout Europe and the United States. As for "industrial policy," the building of a viable industry will require either the social appropriation of the profits of the financial aristocracy internationally, or else deep cuts in workers' wages. It is wages that the PS intends to attack.

The social-democratic governments of George Papandreou in Greece and of José Luis Zapatero in Spain collapsed last year, after their brutal austerity

policies had made them deeply unpopular. Were he to be elected, Hollande's policies would be no different.

French financial circles are indicating their impatience for the government to cut spending and dismantle social programs. The president of the Authority for Financial Markets, Jean-Pierre Jouyet, who has supported a political alliance between the PS and right-wing circles around François Bayrou, commented: "The electoral campaign too will be under observation. What I think needs to be done today is to restore the health of public finances, and not just through emergency measures."

This means that the social conditions of the workers would have to be reduced to levels not seen in France since the first half of the 20<sup>th</sup> century.

This is indeed the aim of the so-called "social summit" between the trade unions, the employers and the Sarkozy government. François Chérèque, boss of the CFDT (French Democratic Confederation of Labour), has given his approval for a "Social VAT"—an increase in sales tax designed to relieve employers of paying social contributions—and "competitiveness-job" agreements. He explained, "We are ready to consider these issues, but not in haste and not by measures which could be unfavourable to the workers."

Chérèque's comments are an evasion. The media make very clear what the employers' organisations expect to get from the summit: "Competitiveness-job agreements which will enable companies to negotiate new working hours or wage cuts."

If elected, François Hollande's policies will be in direct continuity with the cuts that Sarkozy has carried out in consultation with the trade union bureaucracy. This is clear from the opinion piece by Hollande

entitled “The Change is Now,” published in the daily *Libération* on December 3, 2011.

It is an attempt to present himself as the best candidate to impose what the financial elites want: a deeper austerity programme.

François Hollande aims to make the working class pay for the crisis over the long term: “The restoration of our public finances and our productive sector will take a long time. The reconquest of our sovereignty will require considerable sacrifices.” Thus, the working class must finance growth by agreeing to wage and social cuts, under threat of a high rate of unemployment: “unemployment is at its highest because growth is at its lowest.”

In the financial press, Hollande's campaign manager, Pierre Moscovici was very clear as to the intentions of a future Socialist government. In a *Financial Times* interview, he told journalist Hugh Carnegie: “The time of the tough right and the lax left is over. We will be responsible and credible. Whatever the difficulties, we will reduce the deficit and the debt. We won't spend more.”

The PS, therefore, is ready to impose austerity measures on the workers, as PASOK did in Greece and the Spanish Socialist Party, with big wage cuts and the repression of working class opposition. In both cases the governments mobilised the army to crush the strikes of lorry drivers in Greece and air traffic controllers in Spain.

If Hollande is able to give a slight “left” coloration to these reactionary policies, it is because he can rely on the support of the New Anti-capitalist Party (NPA), the French Communist Party (PCF), and the Left Party (PG) to disorient and strangle popular opposition to his anti-working class program. Thus Hollande makes a small gesture to these parties: “Finally, I deeply respect all the left candidates such as the ecologists...It is my task to embody the change-over of political power and to facilitate change.”

He can presume to make such maneuvers because he feels sure that the NPA and the PS's other satellite parties will not criticize the PS from the left. Thus, in a statement on Sarkozy's “Social VAT” dated January 4,

NPA candidate Philippe Poutou affirmed: “All the social [trade union] and political forces should meet as soon as possible to work out together the immediate way to deliver a riposte so as to prevent this additional blow from the Sarkozy presidency.”

This appeal to the PS, other bourgeois “left” parties, and the union bureaucracy only goes to show that the independence from the PS, which the NPA claims to embody, is completely fictitious.

The French presidential election is a process entirely dictated by the bourgeoisie, in which the workers are disenfranchised and their social and democratic aspirations systematically strangled.



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