

France: Social Conference outlines massive attacks on the working class

Antoine Lerougetel
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The "Great Social Conference" convened by the Socialist Party (PS) government of President François Hollande took place on July 9 and 10 in Paris. It brought together the 300 officials representing the state, the trade unions, and employers' associations to draw up plans for reducing France's debt and increasing the profitability and competitiveness of French business.

As France and Europe sink ever deeper into economic depression, these forces are uniting to agree upon deep attacks on the working class.

In his opening speech to the congress, Hollande stressed that he is considering obtaining the union bureaucracy's approval for cuts as "obligatory," noting: "It would be suitable to envisage today obligatory consultations before public decisions. No law in the economic and social domain will be able to be passed in parliament without a phase of dialogue and consultation," aiming to establish a "positive compromise" between the unions and the bosses.

Prime Minister Jean-Marc Ayrault's closing speech detailed the results of this anti-worker gathering.

Increases in the legal minimum wage (SMIC) will cease to be calculated based on price inflation, but rather on national economic growth. Under conditions of stagnant economic growth and rising price inflation, this would imply over the years a deep decline in workers' living standards. It has been calculated that if this method had been applied over the past 20 years—even though these were not all years of deep economic crisis—the monthly minimum wage would be €200 (US\$240) lower.

Labor costs are to be slashed by transferring the financing of social security from the employers onto the backs of the workers, through a Generalised Social Contribution (CSG) tax. This proposal entails confiscating tens of billions of euros from the working class—under conditions where workers' contributions to social security represent 22.6 percent of GDP in France, as against the European average of 17.5 percent.

According to *Le Monde*, "The 'facilitator' of the round table on industrial renewal, the former CEO of [defense contractor] EADS, Louis Gallois, appealed this weekend at the economic discussions in Aix-en-Provence for a massive 'shock proposal' of between €30 and €50 billion, by transferring social security contributions to the CSG."

This tax, designed to cheapen labour to enhance businesses' profitability and competitiveness and attract investment, is cynically justified as a means of reducing unemployment. However, it will fall most harshly on low-paid workers and pensioners.

Le Monde praised the unions for agreeing to the cuts and reducing labor costs in France: "This is the first time in France that the social partners [the unions]...have admitted that there is a labour cost problem. A real revolution. The right should applaud with both hands."

In his opening speech to the conference, Hollande cynically tried to present the cuts as a measure to save jobs: "Everything must be discussed to reach the highest level of employment in our country."

In the meantime, Hollande is doing nothing to halt a wave of plant closures; the unemployment rate has just

topped 10 percent, and 22.5 percent for workers aged 15 to 24. Some 84 plant closures involving 60,000 workers are imminent, including PSA, Valeo, Honeywell, Wonderbra, Air France, and several banks.



Significantly, those measures that Ayrault did propose involved deepening attacks on workers' wages and conditions. Ayrault promised that measures would be taken to improve short-time working arrangements, whereby employers keep workers on the books with some government contributions to their lost wages, a scheme that avoids redundancy payouts.

French business figures have stressed that they would like to model France's short-time work system on Germany's *Kurzarbeit* measures, which allow business to more rapidly cut workers' pay in response to economic slowdowns.

French union leaders enthusiastically backed the PS government's cuts. Bernard Thibault, leader of the Communist Party-dominated General Confederation of Labour (CGT), was pleased with the PS's "social method", while François Chérèque of the PS-aligned CFDT (French Democratic Confederation of Labour) lauded the consultation as "a good thing".

Jean-Claude Mailly of FO (Workers Force) said after the conference: "There'll be a lot of work to do but the social dialogue has calmed down so we are largely satisfied this evening."

The line-up of the PS government and the union bureaucracy behind the cuts are a devastating exposure of the anti-working class character of France's petty-bourgeois pseudo-left parties, which are politically complicit in these measures.

LO (Workers Struggle), the New Anti-capitalist Party, and the Left Party of Jean-Luc Mélenchon supported Hollande in the second round of the presidential elections. They have consistently sought to maintain the influence of the unions, particularly the CGT, over the struggles of the working class.

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