

French trade unions urge spending cuts, labour market deregulation

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France's French Democratic Labour Confederation (CFDT) is pressing the Socialist Party (PS) government of President François Hollande to accelerate its social cuts.

It is demanding that Hollande rapidly carry out labour market reforms—easing restriction on hiring and firing and cutting labour costs—to restore the competitiveness of French companies and formally adopt the European Union (EU) fiscal pact to impose sweeping austerity measures.

In an interview Sunday with *Le Journal de Dimanche*, CFDT leader François Chérèque said that “the government must accelerate reforms” beyond the existing timetable. He explained, “Our country's economic situation is bad, because France is not well adjusted to the challenges of globalization. ... We must begin negotiations on labour market reforms as fast as possible, to finish as soon as possible.”

Chérèque praised labour market reforms made in Germany a decade ago by the Social Democratic government of Chancellor Gerhard Schröder that led to the creation of a low-wage sector, facilitated sacking, reduced labour costs, and boosted German exports. To promote French firms' competitiveness, Chérèque noted that the labour costs should be cut: “I say this clearly—the cost of labour is also a factor in the loss of competitiveness.”

While praising German policies of flexible working hours and short-time work as a model for French labour market reforms, the CFDT is working with management to pass collective bargaining agreements in factories and workplaces. Unions recently signed agreements with automaker PSA's Sevelnord plant in northern France and at Air France to impose wage

freezes and more flexible working hours.

Chérèque's comments come as the Hollande government prepares drastic cuts in social spending, with the 2013 budget due to be presented this month with over €30 billion in spending cuts, to restore market confidence. France is seen as the next target of market speculation over its debt, unless it makes necessary social cuts following Greece, Spain and Italy.

Chérèque also endorsed the EU fiscal treaty, lining up with the troika—the European Union (EU), the International Monetary Fund (IMF) and the European Central Bank—whose austerity policies have devastated Greece. Chérèque cynically noted that the treaty “is not perfect, it has many faults.” Nonetheless, he supported adopting it.

He explained, “Public finances must be gotten under control to give power back to the State.” He bluntly endorsed austerity policies, warning that otherwise, “if France does not adopt it, there will be the risk of an explosion of interest rates that will cost France much more.”

The troika is now demanding more, radical cuts: slashing the minimum wage, going to a six-day work week, and adopting flexible working hours. (See: “EU, IMF demand lower wages, longer hours in Greece”)

Chérèque and the unions expect similar measures to be introduced in France to protect corporations' competitiveness at the expense of the workers. This highlights again the role of French unions—like their counterparts internationally—as defenders of corporate interests in the epoch of globalization, policing the workers and imposing wage freezes and benefits cuts.

After Chérèque's endorsement of austerity measures,

the French press compared the CFDT's current role with the one it played under former PS President François Mitterrand, where unions collaborated with Mitterrand's "austerity turn" of 1982-1983, pushing through spending cuts and the destruction of mining and manufacturing industries amid mass layoffs.

Le Monde columnist Françoise Fressoz wrote, "In the history of the left in power, the CFDT has always played the role of a watchman and a voice of warning. ... Thus in January 1983, Edmond Maire, the union's secretary-general, took the liberty of announcing on the Elysée [presidential palace's] balcony the austerity turn."

She added: "Twenty-nine years later, François Chérèque is playing the role of Edmond Maire. He is in turn pressing the sitting president—not this time towards austerity, which is already well and truly started—but towards adapting the French social model, which is equally dangerous terrain."

These comments highlight the role of the union confederations: aggressively defending the interests of corporations and of the state and pressing for right-wing policies needed to defend their class interests. This in turn reflects the material interests that the union bureaucracy has developed as a social layer, which is utterly hostile to the working class.

Its income is overwhelmingly derived from subsidies from businesses and the state. According to a report by legislator Nicolas Perruchot that was censored but then leaked to the press in March, of the roughly €4 billion (US\$5.3 billion) devoted to funding the union bureaucracy, roughly 90 percent comes from subsidies from employers in the private and public sectors. (See: "Perruchot report exposes French unions' ties to the ruling class")

The report also noted that "François Chérèque, at the head of the CFDT, admits he has trouble hiding his savings of more than 350 million euros, including 34.7 million in 'available funds.' The CGT's [General Confederation of Labor's] is 42 million euros."

As the CFDT presses for pro-business austerity policies, other unions like the CGT and FO (Workers' Force) are trying to posture as opponents of the cuts. CGT leader Bernard Thibault attacked Chérèque for "having the same line as the Medef" business organization.

The CGT's criticism is utterly cynical. Like the

CFDT, it has sat in all the negotiations of social cuts by successive governments in recent years, and supported Hollande's election—in the CGT's case, by supporting Hollande's political ally, Left Front presidential candidate Jean-Luc Mélenchon.

The austerity measures praised by the CFDT were discussed at the Social Conference held in July and that was approved by all unions. Moreover, all the unions will meet with the business organisations and government officials to discuss planned labour market reforms next week.

After the social conference, the CGT hailed it and ensured its role in implementing the anti-working class policies of the Hollande government. It wrote, "The fact that the importance of social dialog and social negotiators is confirmed shows the political voluntarism with respect to workers' organizations. ... There are new points of support to make ourselves heard on a whole series of subjects."



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