

# A new stage in the attacks on the European working class

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The European working class faces a new round of brutal social attacks. The process that began in Greece, Portugal and Ireland, and has continued in Spain and Italy, is now on the agenda for France. The government led by President François Hollande is due to announce the country's budget for 2013 this month. The international business press is full of articles arguing for massive cuts.

The French economy is in crisis. Growth is virtually stagnant, and the number of job seekers in August exceeded 3 million. Large corporations such as Peugeot Citroën have announced thousands of layoffs. Economists estimate that the government needs to save between 33-40 billion euros to meet the deficit limit of 3 percent to which Hollande is committed. This is unprecedented in the history of France and means massive cuts in social spending.

The *Financial Times* demands that Hollande “stop tending the Mr. Normal image and face up to being Mr. Unpopular.”

The *Süddeutsche Zeitung* calls upon the Socialist Party (PS) president to “subject the country to the type of shock treatment administered once before by the social democrat Gerhard Schröder in Germany.” In order to strengthen the international competitiveness of the French economy, Hollande must “significantly cut wage labor costs, free working hours and the labor market from strict rules, and reduce benefits.”

The significance of such calls is unequivocal. If Hollande does not follow them, the banks plan to visit upon France the same fate as Spain and Italy: financial speculators will descend upon the country and drive up the interest rates on its bonds to the point where the government capitulates to their dictates.

In fact such external pressures are not necessary. Hollande has already made clear that his government is

quite prepared to implement the dictates of the financial markets on its own.

In his first public speech after the summer break, Hollande declared that the French people should prepare themselves for a “long and extremely serious economic crisis.” At a trade fair in Châlons-en-Champagne, he declared that winning the “battle for growth, employment and competitiveness” would take not just three months or a year, but his entire five-year term.

In the language of official politics, “growth, employment and competitiveness” are synonyms for cuts in wages, social benefits and labor rights. Hollande is effectively promising five years of social decline.

His prime minister, Jean-Marc Ayrault was even more blunt. For weeks he has been advocating increased competitiveness on the part of French companies and has charged Louis Gallois, the former head of the EADS air and space company, with developing specific proposals.

Gallois is calling for a “Competitiveness Shock” for the French economy and regards the main problem to be the high cost of labor, currently averaging 34 euros per hour—well above the German (30 euros) and Spanish and British (20 euros) rates.

At a European level, Hollande is now retracing the steps of his predecessor, Nicolas Sarkozy, joining forces with German Chancellor Angela Merkel to enforce a policy of uncompromising austerity throughout Europe. During the election campaign earlier this year, he had posed as an alternative to Merkel and promised to renegotiate the new European fiscal pact.

Hollande has unceremoniously dumped his campaign promises. He plans to accept the Fiscal Pact without changes and without a popular referendum, despite the

fact that acceptance of the strict terms of the pact will force him to make massive cuts. When Greek Prime Minister Antonis Samaras recently visited Paris and asked for a relaxation of the austerity measures laid down for his country, both Hollande and Merkel remained adamant that there was no alternative to punitive cuts.

Last week German Finance Minister Wolfgang Schäuble and his French counterpart, Pierre Moscovici, agreed the formation of a joint high-level working group to coordinate the two countries' fiscal and economic policies and also to deal with Greece and Spain. Schäuble and Moscovici even agreed to meet every two weeks for personal consultations. As was the case during Sarkozy's presidency, the Franco-German tandem is assuming the task of enforcing the dictates of the financial markets throughout Europe.

Hollande is also seamlessly continuing the policies of his predecessor in the sphere of domestic politics. To divert attention away from growing class conflicts, he is fomenting racist campaigns against Roma and deploying the police against rebellious teenagers. His insistence on a military intervention in Syria is also part of this strategy. He is not only pursuing French imperialist interests in the Middle East but also using militarism to both divert from, and prepare for, growing internal dissent.

Workers across Europe must draw the necessary political lessons from the events in France. France now confronts the same social counterrevolution that has engulfed Greece and Spain. Also in Germany, where a huge low-wage sector was developed over the past decade, those sections of the working class with proper job and wage contracts are now increasingly in the firing line. This is the significance of the current dispute at Lufthansa, where cabin crews face outsourcing to low-cost airlines or replacement by temporary workers.

The financial markets will not rest until benefits and wages in Europe have reached international standards—i.e. until they have been slashed to the level of China and similar countries. Social-democratic parties are lining up to offer their services in this respect and are virtually indistinguishable from their conservative and free-market opponents. The same goes for the trade unions, which are working closely with the big corporations and their respective

governments.

The events in France have also thoroughly exposed the pseudo-left organizations that claim it is possible to revive the European Union based on reformist demands from the post-war period. They are nothing other than a cover for the social democrats and the trade unions. When in government, they are quite prepared to implement austerity themselves.

Thus, during this year's Greek election campaign, Alexis Tsipras, the candidate of the Coalition of the Alternative Left (SYRIZA), praised the French president Hollande as an ally and as living proof that it was possible to reform European capitalism. Now it is clear this was a deliberate lie and deception.

European and international capitalism cannot be reformed. The dictates of the financial markets can only be repulsed by a social revolution. This requires the mobilization of the European working class on the basis of a socialist program.

Bourgeois governments must be replaced by workers' governments, pledged to expropriate the banks, hedge funds and large corporations, seize large fortunes and organize economic life to fulfill social needs rather than the profit needs of the financial markets. The European Union, a tool of the banks and corporations, must be replaced by the United Socialist States of Europe.

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