France: Socialist Party government bows to business demands for social cuts

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In an exchange on Monday with *Le Parisien* readers, French Socialist Party (PS) Prime Minister Jean-Marc Ayrault asserted that for him the 35-hour week was not "taboo." Asked whether his government would return to the 39-hour week, he replied: "Why not? I'm not dogmatic."

Government advisors feared that that his "slip", when the transcript was published on Tuesday, would have a damaging effect on the government's approval ratings, which have now plummeted to only 40 percent. Nonetheless, their cynical comments have only underlined the government's commitment to slashing workers' labour rights.

Labour Minister Michel Sapin and Foreign Minister Laurent Fabius spoke on radio and TV to deny any plans to abandon the 35-hour week. Speaking of rumours that the 35-hour law would be abrogated, Sapin declared, "We must cut off that duck's head before it can fly."

However, Sapin promptly called for firms to be able to cut working hours and wages in collaboration with the unions to match fluctuation in: "But it's also necessary for a dialogue in the firms, 35 hours is the reference but when things are going very well you can work more and be paid more, and when they're not going so well... you can reduce the working hours."

Even Francois Chérèque of the PS-aligned CFDT (French Democratic Confederation of Labour) union intervened ostensibly to defend the 35-hour work week law. He said, "if it's to question the legal 35-hour week, no way. It's about time the prime minister, very quickly, put a stop to this polemic."

Chérèque is on record, however, as demanding that corporations work with the PS government to slash labour costs—that is, wages and social benefits—to make French firms more globally competitive. (See: "French trade unions urge spending cuts, labour market deregulation")

The next day, taunted by right-wing deputies at the National Assembly, Ayrault claimed that the 35 hour week would be maintained "as long as the left [i.e., the PS] was in power."

The statements of PS and union officials make clear the aim of Ayrault's proposal to lengthen the work week in France: he was responding to pressure from by big business to improve its competitiveness and speed up austerity measures against the workers.

An open letter addressed the previous day to President François Hollande from Afep, an association representing the 98 largest French companies, urged: "The state must make savings of €60 billion over the next 5 years ... To help companies it must reduce labour costs by at least €30 billion in two years." Afep proposed financing the cut in corporate contributions to social spending "half by raising purchase tax from 19.6 percent to 21 percent (the European average), and the other half by reducing public expenditure."

These measures, which would further impoverish the working class, are in line with leaks from a government-commissioned report to improve big business competitiveness and profitability, drawn up by Louis Gallois, former boss of the national rail company SNCF and of Airbus. His report is due to be delivered to Ayrault on November 5.

If Ayrault could suddenly flip-flop and issue promises to keep the 35-hour work week law, this is only because the law itself is so complex and full of loopholes that it has repeatedly been amended to increase exploitation of the work force.

Adopted by the PS government of Prime Minister Lionel Jospin in 2000, it was designed to mask a regression in working conditions, allowing employers to annualise working hours and thus intensify the exploitation of the labour force. It also began a process of the dismantling of legal protections of workers' conditions which was accelerated by the following UMP governments.

One "reform" of the 35-hour work week law in 2008, under right-wing President Nicolas Sarkozy, was openly celebrated as its abolition. (See: "End of the 35-hour week in France")

The crisis of world capitalism expressed in that of French capitalism is used as justification for destroying the social gains of the working class. Hollande listed recent attacks in an address on October 25 to 2,000 heads of industry: 750,000 jobs lost in industry since 2008; factory closures announced daily, a huge and growing yearly trade deficit of €70 billion.

The Nouvel Observateur quotes a French Economic Observory economist *Henri Sterdyniak* proposing a solution close to the present plans of the Hollande administration: "In Germany they got an agreement with the unions to put a brake on wage rises. Then, the state gave them [the firms] an extra boost by transferring some charges onto purchase tax."

The unions in France negotiate cost-cutting deals with the employers, lower wages, and redundancies in order to "save" jobs by pitting workers in France against their class brothers abroad. They work to this end with Hollande, as they did with Sarkozy before him.

Manufacturing firms such as car-maker Renault are pushing for measures to cut labour costs.

The company has invested €1 billion to build a plant in Tangiers, Morocco producing 340,000 vehicles by 2013. Wages there for a "basic worker" will be €250 a month as opposed to €450 in Rumania. It will also enjoy a total tax break for 5 years and reduced taxes for 20 years. Renault currently produces only 25 percent of its vehicles in France, down from 1 million in 2007 to 634,000 in 2011.

Renault executive Carlos Tavares recently noted that a Clio 4 costs *€1,300 more to produce in* in Flins, France than in Bursa, Turkey—half of the difference being due to higher wage costs, and the other half due to higher costs of locally supplied parts. Tavares said Renault was beginning discussions with the trade unions to reduce the difference in costs between the Flins and Bursa plants.