The European Commission, French President Hollande accelerate austerity

Anthony Torres
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In recent days, French President François Hollande has been under pressure from the European Union (EU) and also from his own Socialist Party (PS) to accelerate austerity measures, amid a slowdown of the French and world economy.

On Wednesday May 15, Hollande went to Brussels to meet the President of the European Commission, José Manuel Barroso, and twenty EU commissioners. The EU Commission considered that austerity measures implemented by the French government do not go far enough. It gave France two more years to reduce its deficits by enforcing more social cuts.

On his return to France, Hollande held a televised press conference attended by several hundred journalists, to lay out his government's policy for his second year in office, whilst doing everything to camouflage the consequences this will have on working class living standards.

France went into recession during the first quarter, with a downturn of 0.2 percent of GDP, according to the Finance Ministry. Forecasts project 0.1 percent economic growth in 2013. According to the government statistics department, household consumption fell by 0.1 percent at the beginning of 2013, and a fall in exports of 0.5 percent was registered for the same period.

Faced with recession in France, the Hollande government and the EU Commission are echoing the demands of the international financial markets, speeding up attacks on the social gains of workers to make the economy more profitable. During his press conference, Hollande said his second year in office would go more on the offensive. He repeatedly referred to competitiveness, presenting several measures which he claimed would help research and development, as well as the digital technology industry.

France is competing with developing countries that provide global capitalism with a super-exploited work force, which has grown since 2000. The EU Commissioner for Foreign Affairs stressed that "the [world] market share of French exports in goods and services has fallen by 27 percent since 2000, far more than for other exporting countries in the euro zone."

France's economic model was founded on its internal market. After the 2008 crisis and the resulting collapse of consumption, the French bourgeoisie is reviewing its economic strategy. From its point of view, France lags behind Germany, which, during the bubble-induced boom in the early 2000s slashed the labour market with austerity measures under the SPD social democratic government, thus encouraging the rapid expansion of German exports.

The measures presented by Hollande will not kick-start the French economy, however, which is hit by the current, systemic crisis of world capitalism. Austerity imposed by the EU and the PS government will only deepen the impoverishment of workers caused by the crisis.

The depressing statistics for the French economy are the result of the worsening world crisis. The rate of growth in GDP for China and the US is slowing down. Germany, Europe's main economic power, experienced a fall of 0.7 percent for the fourth quarter of 2012 and for the first quarter of 2013 it registered near zero growth.

A *Médiapart* article entitled, "The EU Commission and its obsession for 'structural reforms'" reports on the written proposals last year by EU Monetary Affairs Commissioner Olli Rehn's department: "A credible budget strategy, in the medium term, must be completed by substantial structural reforms of the labour market, retirement pensions, and liberalisation of trade practices."

France is being driven onto the austerity course followed by Greece's PASOK and the Spanish social democrats, which have devastated those countries' economies, in order to satisfy the demands of the financial markets. As Hollande pointed out in his speech, the two years the EU gave to France "aren't a respite but a jump forward for a more rapid economic upturn in Europe."

The wing of the Socialist Party (PS) represented by Ségolène Royal, the former PS presidential candidate and former partner of Hollande, criticized the government's slowness in implementing the cuts. She wrote in *Le Monde* that "time has been lost, it was necessary to reform by decree from the start. Let us succeed in the first hundred days of the second year [of office]."

Other sections of the PS are calling for a less hasty implementation of austerity, for fear of a popular revolt against the PS government, which is deeply unpopular. Emmanuel Maurel declared: "We have reached a very worrying stage. The EU Commission is proposing nothing less than the dismantling of our social model, and preferably at high speed. Three pillars of the French model are being attacked: the state pension system, the labour protection code, and public services…. All that risks being explosive."

The Hollande government has contacted the employers and the "working class" unions to start implementing the austerity measures. The government will be able to count on the CGT (General Confederation of Labour) which, although it did not sign the agreement on the reform of the labour market, has not mobilized workers against the government and supports its general austerity course.

There are objective reasons why the CGT opposes a struggle of the working class. The unions are empty shells that are financially dependent on the state and employers, and which share common interests with the state. The role of the unions is to isolate and demoralize workers to block opposition to the layoffs, as is the case of workers at the PSA Peugeot-Citroën car manufacturer.