

Gautier-Sauvagnac affair reveals employer payoffs to French unions

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Last week's conviction of Denis Gautier-Sauvagnac, a former head of the Engineering Employers Association (UIMM), for embezzling tens of millions of euros to finance the union bureaucracies, demonstrates the crisis of democracy in France.

Gautier-Sauvagnac was given a 3-year prison sentence, two years of which are suspended, for embezzling €16.5 million between 2000 and 2007. Gautier-Sauvagnac's defence during the trial confirmed that the beneficiaries of these funds, cash withdrawals from the UIMM employers' mutual aid fund, were the main French trade union confederations.

This decision establishes that the imposition of austerity measures decided by "social dialogue" between the unions, employers' organisations and the state consists of criminal activity. It is an anti-democratic conspiracy in which dubious slush funds dictate policies hated by the working class, whose interests find no representation whatsoever in negotiations controlled entirely by business interests.

The judges' ruling shows that a key factor in their decision to sentence Gautier-Sauvagnac to a minimum one year in prison—breaking with the usual impunity reserved for bosses' white-collar crimes—was their fear that the affair had damaged the legitimacy of the state.

They wrote that UIMM practices, such as the "functioning of a hidden system of extensive distribution of cash payments, did not contribute to a better regulation of social life, but contributed both to feeding suspicion about hidden financing of political parties, the bribing of parliamentarians, the buying of social peace, and personal enrichment; and to discrediting all public and private decision-makers in the country's economic and political life."

In fact, it not a matter here of "suspicion" that the unions enrich themselves by enforcing "social

peace"—that is, by suppressing working class opposition to right-wing policies. As Gautier-Sauvagnac's conviction shows, the facts are well established.

State institutions, financed and run in an anti-democratic and criminal fashion, imposed a series of austerity measures—reductions in retirement pensions or anti-worker reforms of the labour code—between 2000 and 2007, when Gautier-Sauvagnac was head of the UIMM. While the intermediaries or mechanism by which official or employer financing of the unions may have changed in the last seven years, the relationships have clearly continued, as have the austerity measures. The Perruchot Report, published in 2012, indicated that employers and the state together finance the unions to the tune of 90 percent of their budgets, or more than €4 billion a year.

Gautier-Sauvagnac's lawyer, Jean-Yves Le Borgne, baldly referred to these realities in his defence, which attempted to legitimize Gautier-Sauvagnac's crimes while cynically arguing for more recruitment into the trade unions—a development aimed at making the workers finance the unions and the imposition of social austerity.

He said, "The reality of this affair is that we have dented the myth, the conception that the unions must be in opposition to the employers, and that they would not recognise that they exist thanks to the employers' cash, while we know that the union membership is too low in France and that union organisations cannot ensure more than 20 percent of their budget."

The employers pay, according to Le Borgne, "because they need the unions to exist. They exist so that we can sit around a negotiating table and sign agreements."

Le Borgne mocked the hypocrisy of those who

criticised his client's illegal funding of the unions in cash, but who accept without hesitation the other ways by which employers' groups channel black money into union coffers.

“When the UIMM pays bloated prices for stands at congresses or buys thousands of copies of journals no one wants to read,” he said, “that shocks no one. But when there are no more stands or journals to pay for, what then? Writing out a check is not conceivable, that clashes with the idea of the class struggle and the French trade union tradition. So yes, we choose the discreet solution of cash handouts. Because if the ‘damned of the earth’ learn that their union leaders take money from the employers, the *Internationale* will stick in their throats.”

This comment underlines the historical lie underpinning political life in France and in other European countries like Greece—where “social dialogue” between employers and the trade union bureaucracy has reduced masses of workers to poverty. The existing “left” parties and the union bureaucracy do not represent the workers. They have integrated themselves into the ruling class via various co-management or corporatist structures. In France the origins of this process go back to the 1936 Popular Front government, and this continued and deepened under the Vichy regime and after the Second World War.

As Leon Trotsky and the Trotskyist movement insisted, these were organizations that aimed to strangle the revolutionary struggle of the proletariat and defend the capitalist state. In the era of globally-organized production of the last three decades, they have become tools to push down workers' living standards to boost the competitiveness of French capital.

Their occasional attempts to associate themselves with socialism, such as by singing the *Internationale* at meetings, are treacherous lies. They aim to block the formation of a revolutionary party of the working class by leading people to believe that their class collaboration represents the traditions of Marxism. These are, in fact, petty-bourgeois organisations. They are hostile to the workers that they falsely claim to represent, attacking them in order to receive their financing from the bosses.

One must also underline the reactionary role played by the unions' pseudo-left political allies, such as the

New Anti-capitalist Party (NPA) and the Left Front. They insist at each mobilisation of workers—including the protests against pension cuts in 2003 and 2007, when Gautier-Sauvagnac was funding the unions in person—that only the unions can lead the struggle.

With these demoralised claims, they attempt to maintain the bosses' control of any popular workers' mobilisations.

In reality, the unions are no longer workers' organisations. During the decades following 1968, they have seen their militant base collapse (barely 7 percent of French workers are unionised). The decimation of the unions' dues bases has also been accompanied by a dramatic fall in the number of strike days.



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