

# French unions sign Socialist Party's "Responsibility Pact"

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On March 5, the French trade unions and employers' organisations signed the Responsibility Pact announced by Socialist Party (PS) President François Hollande in his New Year address. It aims to slash labour costs and boost business competitiveness.

The PS-linked French Democratic Labour Confederation (CFDT), the General Managers' Union (CGC), and the French Confederation of Christian Workers (CFTC) signed the deal.

The agreement stipulates €20 billion in tax breaks for corporations and cuts an estimated €10 billion in employers' contributions to family benefits. The PS has also announced €50 billion cuts in social spending by 2017, in order to compensate for the loss in revenue caused by the tax breaks for business.

The text adopted by the unions explicitly aims to boost companies' profits. It begins, "The competitiveness of French enterprises has fallen in recent years, as is shown by their profit margins, which are the lowest both in Europe and since 1985."

With unemployment surging in France—after rising for 32 months, it has reached 11 percent, with a total of 5 million workers looking for full-time jobs—the text tries to justify its hand-outs to business by asserting it will create jobs: "Without re-establishing business competitiveness, there cannot be a lasting fall in unemployment."

Claims that the Responsibility Pact is a job creation program are absurdities, dismissed even by the employers' groups, who have no intention of promising to hire anyone. The head of the Medef employers' delegation, Jean-François Pilliard, bluntly stated that on job creation, "There are no numerical targets."

In fact, keeping the unemployment rate high is a key component of the employers' strategy to impose the Responsibility Pact. A large reserve army of the

unemployed forces workers to labor at the miserable wage levels the corporations and the PS intend to impose in France.

PS Prime Minister Jean-Marc Ayrault hailed the deal. Referring to the "low-wage jobs" that will result, he remarked, "This is where there are jobs, where we can hire."

The Responsibility Pact is based on the Agenda 2010 labour market reforms imposed by the German social democratic government of Gerhard Schröder between 2003 and 2005. His initiatives included cutting the length of unemployment benefits from 32 to 12 months and introducing "one-euro-jobs" that pay one euro an hour in order to force the unemployed to accept substandard wages. Schröder was able to implement these unpopular measures due to the close collaboration of the German unions with the bosses.

Testifying to their descent into the role of petty-bourgeois overseers for big business and finance capital, the French unions are hailing the deal and boasting that their objectives were met after negotiations with employers.

Citing promises by employers' groups to consider fixing "quantitative and qualitative" job creation targets in various industries, CFDT Deputy General Secretary Véronique Descaq said, "The CFDT was intransigent on its demand for numerical targets on job creation, promises on jobs and investment, and above all promises in different industries."

The Stalinist CGT (General Confederation of Labour) and the FO (Workers Force) union refused to sign the deal, trying to posture as opponents. In fact, they do not oppose the agreement, as they made clear in February when they called a one-day demonstration for March 18 in response to the PS' announcement of the Responsibility Pact.

At that time, CGT leader Thierry Lepaon pledged that the March 18 demonstration “will not be a day of action against the Responsibility Pact, but on wages, jobs, and the financing of social security.”

In deciding not to publicly endorse the Responsibility Pact, which they helped negotiate, the CGT and FO are trying to obscure their role in planning attacks on the working class and their political alignment with the reactionary PS government. Their aim in calling a toothless, one-day protest is to hide their collaboration with the state and big business in imposing the deeply unpopular cuts.



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