

# France's incoming government launches historic attack on working class

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The sweeping social cuts announced by the Socialist Party (PS) government of incoming Prime Minister Manuel Valls mark a historic watershed in France. They signify the repudiation by the PS of the social concessions made to the working class in France after World War II and the collapse of the Nazi collaborationist regime.

They also underscore the significance of the decision to call upon Valls, the former interior minister and top cop adopting policies favored by the neo-fascist National Front (FN). As the PS moves to entrench a financial oligarchy atop an increasingly exploited and angry working class, the French ruling class as a whole is seeking new forms of rule, policing society with far-right appeals to law and order.

After a ministerial cabinet meeting with PS President François Hollande last Wednesday, the government announced a €50 billion cut in public spending by 2017, as part of Hollande's pro-business Responsibility Pact stipulating a €30 billion cut in labour costs. Valls said spending cuts include €18 billion in central government spending, €11 billion from a rationalisation of local government. The remaining €21 billion will come from cuts to social benefits and health care.

The methods of the government are characterized by unprecedented provocation and brutality. They decreed a wage freeze for France's 5 million public sector workers, despite widespread and well-publicized opposition to the move among public sector workers before Valls took office. Benefits, including income support for the young and long-term unemployed, most state pensions, and family benefits are also to be frozen.

On health care, Valls bluntly said he would finance his cuts by reducing the number of operations in France, using more generic drugs, and eliminating longer stays in hospital. This underscores the historic

attack being prepared on the provision of health care to the majority of the working population.

As business groups sit down with PS officials and the union bureaucracy to discuss the implementation of these cuts, they are calling for even more far-reaching cuts, including the elimination of the minimum wage. Last week, Pierre Gattaz, the head of the Medef employers' organization, called for the creation of an "intermediate minimum wage." This would be a wage below the legal minimum, paid to "a young person or someone who cannot find work."

Gattaz said, "It is better to work in a company at pay somewhat below the minimum wage, in a temporary and transitory way, rather than leaving them unemployed."

He also praised the proposal of PS member Pascal Lamy, the former head of the World Trade Organization, to create "little jobs" paid below the minimum wage. This proposal is modeled on the "mini-jobs" initiated in Germany by the Social Democratic government of Gerhard Schröder under the Agenda 2010 and Hartz IV laws.

These proposals underscore that Valls' business tax incentives, ostensibly designed to encourage hiring of workers in low-wage jobs, are in fact part of a broader, conscious push to lower wage levels in France and dismantle workers' social benefits. Valls proposed to eliminate all social taxes paid by businesses on workers employed at between 100 and 130 percent of the minimum wage (*smic*).

On April 10, *Le Monde* noted, "This measure is already creating some fears over the generation of *smicards* that it could produce." It cited a Twitter message saying, "Cutting business taxes on minimum wage workers ... an excellent idea to spread the practice of hiring workers on the minimum wage." This policy

will slash pension and health care funding. It will pressure workers, who already are forced to health care plans to subsidize their public national health plan coverage, to buy more expensive plans offering broader coverage. As such plans cost €150 to €200 per month, however, they are out of reach for broad layers of the working class who live from paycheck to paycheck.

More broadly, however, the PS' aim is to hire an entire new generation of youth and unemployed workers at rock-bottom wage levels, similar to those imposed by the European Union on their impoverished class brothers in Greece. Employed in degrading jobs with few social benefits and at poverty wages, their exploitation is to provide the financial basis for the renewed global competitiveness of French capital.

Valls justified his policy by claiming, "I am obliged to tell the truth to the French people. Our public spending represents 57 percent of our national income. We cannot live beyond our means."

The claim that the workers must be impoverished because there is no money to pay them is a reactionary lie, coming from the same ruling elite that summoned €360 billion overnight to bail out France's banks in the weeks after the 2008 Wall Street crash. What is being exposed in France is the historic bankruptcy of the world capitalist system and of the bourgeois political establishment.

While the central government and various levels of local government do indeed spend 57 percent of France's gross domestic product, the bourgeois state in France knows very well who should receive these funds. It has supervised the creation of a deeply unequal social order. In 2010, before much of the impact of the current economic crisis was felt, the top 10 percent of French society held 62 percent of the national wealth, while the bottom 50 percent held only 4 percent. The top 1 percent alone held a quarter of the wealth.

It is to defend the privileges of this financial aristocracy that the PS is moving to dismantle the remains of the framework of postwar social policy and promote neo-fascistic policies. In his speech to the parliament, Valls appealed to the FN's political themes, focusing on "insecurity" and "delinquency" and provocatively condemning "anti-Christian" acts.

The vacuum on the left is underscored by the fact that these historic attacks are being carried out by France's

main bourgeois "left" party, under a PS president who was elected with the support of the pseudo-left New Anti-capitalist Party (NPA) and the Left Front (FdG).

The main political beneficiaries of the promotion of national chauvinism and xenophobia by these forces will predictably be the FN. Condemning Valls' austerity measures, FN Vice-President Florian Philippot declared, "Millions of French people are going to suffer a collapse of their living standard because the government insists on obeying the EU on the euro."

The FN can posture as the only opponent of EU austerity policies because as the PS, the FdG, and the NPA all support Valls' reactionary policies.



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