

# French Socialist Party plans to scrap post-World War II job security rules

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French Prime Minister Manuel Valls is proposing to eliminate permanent employment contracts (CDI, *contrat à durée indéterminée*), as he considers that workers' job protections undermine business competitiveness. This is a move by the ruling Socialist Party (PS) to dismantle obstacles that have existed since World War II to French businesses' ability to hire and fire workers at will.

On Thursday, in an interview with *Le Nouvel Observateur*, Valls suggested merging CDI and short-term contracts (CDD) into a single contract system. He said, "The functioning of the labor market is unsatisfactory, as it does not create enough jobs, and it generates deep inequality between highly protected CDI workers and other, very precarious workers on CDD contracts and other temp jobs."

He added, "Businesses do not want to hire because of the overly high cost of firing workers, above all because of the high juridical uncertainty involved."

Valls' pose of concern about employees on CDD contracts is a clumsy attempt at deceit. The PS is preparing to destroy the relative job security that tens of millions of French workers have through CDI contracts. The ultimate goal is to create a work force that constantly fears dismissal and, therefore, feels forced to take whatever wage and benefit cuts businesses demand to boost their position on world markets.

According to state-run DARES (Agency for Research and Statistics), which compiles employment data, there are currently 15.4 million workers in France with CDI contracts.

Valls cited proposals of the new French Nobel Prize winner in Economics, Jean Tirole, who denounced the French labor system and also advocates merging CDI and CDD contracts. Tirole told Europe1, "Businesses

are very afraid of creating CDI contracts. They have no flexibility if there are problems. So they use lots of CDD contracts and internships. Youth go from one job to another and also into unemployment."

On Friday, Bank of France Governor Thierry Noyer also attacked the CDI contract as "too rigid" and demanded that employers have the right to fire workers at will. Firms "cannot be in a situation where, if there is a downturn or an economic surprise, of being blocked, condemned to bankruptcy, we must give them some room for maneuver," he said.

Despite a series of recent pro-business labor market reforms, banks and big business see labor protections in France as far too high and demand that the PS deepen its attacks on workers' job rights. Last month, the Medef employers' organization claimed that President François Hollande's "responsibility pact," involving €50 billion in social cuts, as well as €40 billion cut in corporate taxes, is insufficient to boost competitiveness. It demanded a "complementary project."

The PS' harsh austerity policies and structural reforms testify to the total disintegration of the bourgeois "left" in France. While hundreds of billions of euros are lavished on various bank bailouts, the PS claims there is no money for the working class and designs right-wing policies to benefit tiny corporate elites. Amid an accelerating global economic downturn, its policy threatens a social disaster in which the next major crisis will lead to a wave of mass sackings and wage cuts across France.

Valls' calls for scrapping the CDI come after he has repeatedly boasted that his government is "pro-business."

He recently declared, "We must finish off the outdated left, which is nostalgic for a long-dead past

and haunted by Marxist hyperbole and the memory of the Thirty Glorious Years,” the 1945-1975 economic boom in France that followed the Liberation from Nazi Occupation. “The only question worth asking is how to orient modernity to speed the emancipation of individuals.”

Medef head Pierre Gattaz bluntly said, “Our social and economic model, inherited from the Liberation and the Thirty Glorious Years, is dead.” He called for “reinventing a new economic and social model.”

These statements underscore the reactionary, anti-working class character of pseudo-left groups such as the New Anti-capitalist Party and the Stalinist French Communist Party, which backed Hollande in the second round of the 2012 presidential election. Despite rising anger and opposition in the working class, they continue to provide support to the PS and the union bureaucracy, while making a few empty criticisms of their pro-business measures.

Their support for attacks on workers and their role in stifling strikes brings them far closer to the role of officials who drafted the Labor Charter promulgated by the Nazi-collaborationist Vichy regime in 1941, than to the officials who oversaw the post-World War II reforms.

Over the past years, successive governments have gutted workers’ rights—hiring workers on temporary job contracts, imposing greater flexibility, and lengthening trial periods before companies decide whether to give workers CDI contracts or sack them, as well as slashing pensions and unemployment benefits.

One result of these pro-business reforms is that few workers have secured CDI contracts in recent years. According to *Le Monde*, “The vast majority of job offers are on short-term contracts: in 2012, 49 percent were CDD, 43 percent were on other temp contracts, and only 9 percent were on CDI.”

The working class can only fight this attack on job security independently of the trade unions and the pseudo-left parties that support them. The PS itself is quite clear that it can rely on the unions to approve and implement this new round of pro-business policies.

Valls declared that he trusts the “social partners,” i.e. the trade unions and employers’ organizations, to implement labor reforms. He said, “Social dialog is the key to this presidency. There is a crisis of intermediate bodies. ... We must therefore respect and support them,

so that the social partners can be in a position to advance.”

Reacting to Valls' proposal to scrap CDIs, the unions made cynical criticisms, while trying to downplay their support for PS measures. The head of the Stalinist General Confederation of Labour (CGT) union, Thierry Lepaon, said: “This would mean the end of the permanent employment contract, it places the CDI in question. ... The employers are voluntarily exploiting the law to deregulate the labor market and especially conditions of life, work, and pay.”

Acknowledging that more and more companies hire people on temp contracts due to the recent labor law reforms, Lepaon called for “strengthening the law on short-term contracts.”

What a cynical fraud! The trade unions signed these laws and have worked hand in glove with the PS and right-wing governments before it, to undermine workers' social rights. If they are reacting to Valls' latest proposals by calling for the strengthening of CDD contracts, this is because they intend to let through the attack on the CDI.

Last year, the PS government introduced a pro-market labor reform signed by the trade unions and employers, further undermining workers’ protections against arbitrary wage cuts, extensions of working hours, and dismissals. The labor law measures included a German-style “flexi-security” policy allowing firms to slash working time and pay during economic downturns.



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