French bosses' call to end permanent job contracts, facilitate mass layoffs

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French business lobbies are urging the Socialist Party (PS) government to implement "shock" labour measures, including eliminating permanent labour contracts for private sector workers and creating a new type of contract to facilitate mass sackings and wage cuts.

A few days before an April 3 social summit, Pierre Gattaz, the head of Medef business federation, proposed to create a new pro-business job contract which would facilitate the dismissal process. On April 3, the government, business groups and trade unions gathered to assess 2013 labour reforms that significantly gutted labour rights and imposed greater "flexibility" for companies.

Gattaz told RTL radio, "In the weeks and months to come, we absolutely need shock measures, courageous measures to free up jobs, that is, making how you fire people clearer and more visible."

The new labour contract would allow bosses to "adapt, adjust, if the market turns around or if there is new technology," he added.

Although previous labour reforms, including the 2013 reforms, gave businesses greater flexibility, Gattaz considers French labour law too protective of workers, undermining business competitiveness. He called mass sackings "a necessary act in a world that moves at top speed, in constant change."

He continued, "If you do not have a guaranteed possibility to fire people quickly and easily, with pre-established conditions for the worker, you will not hire, because maybe you do not know how you will be burned in the end."

Big business is demanding the destruction of all job security, forcing workers to agree to employers' demands and accept the shredding of basic social rights won over decades of struggle. The new job contract is designed to allow bosses to sack millions of private sector workers and transform the entire workforce into precarious workers with low wages and no benefits.

The French private sector has an estimated 17.8 million workers. Of these, 15.4 million have a permanent job contract (CDI), 500,000 a temporary contract, and 1.8 million fixed-length contracts (CDD). Since the crisis broke out, the overwhelming majority of workers have not been hired on CDIs. "87 percent of hirings are still on CDD," said Jean-François Pilliard of the Medef.

According to Labour Ministry statistics agency (Dares), there has been a sharp rise in job openings on short-term contracts between 2000 and 2012: "From the beginning of 2000 to the end of 2012, the number of CDD job openings grew 76 percent, the number of temp jobs 14 percent, whereas outside of the public sector, the number of CDI job openings grew only 4 percent."

The Medef also proposed to use more broadly the "project contract," common in the IT and tech sectors, where workers are hired for only one specific project. The contract terminates when the project ends.

In addition, the Medef wants to cut off workers' ability to challenge their dismissal in labour courts. It proposed to "introduce a scale of severance packages, which if respected by the employer, automatically precludes all legal challenge." It also called for imposing an upper limit on employers' liability if a dismissal is challenged.

The proposal for further deregulation of labour law comes after the PS forcibly passed the pro-business Macron Law through parliament without a vote. The law makes it harder for workers to sue for wrongful dismissal, lets employers demand increased working hours on Sunday without overtime pay, comprehensively overhauls fees for various legal and medical services, and begins the privatisation of many public firms.

The PS government responded positively to the Medef proposal. It had already made clear that it would intensify structural reforms and austerity measures after it provided €40 billion in handouts to big business under the so called Responsibility Pact, aimed at slashing labour costs.

The Medef proposal will be a key item in June talks between government officials, business groups and trade unions to discuss the intensification of social cuts and labour reforms. PS officials indicated that they received their orders from Gattaz loud and clear.

On Friday, President François Hollande reiterated that "measures will be taken in June to boost hiring" in small and mid-sized firms. While he imposes a pro-business agenda of slashing workers' wages and living standards, Holland cynically claimed that moves to "give more flexibility" to companies did not mean "creating insecurity for employees."

Prime Minister Manual Valls declared, "Yes, we need reforms to allow small and mid-sized firms to hire. ... We must remove that fear."

Amid soaring unemployment (more than 10 percent, with over five million unemployed) due to the economic slump, the French bourgeoisie feels it can demand the entire workforce accept devastating concessions. The PS government will rely on a corrupt union bureaucracy, which is hypocritically criticising the Medef, while preparing to work with bosses to implement the cuts and to stifle opposition in the working class.

Laurent Berger, the general secretary of the PS-linked French Democratic Labour Confederation (CFDT) said, "The debate on labour contracts is one we must bring to a close immediately."

Philippe Martinez, the leader of the Stalinist General Confederation of Labour (CGT) cynically stated that the consequences of the reforms are "often dramatic," for employees on redundancies in particular.

Having called for Hollande's vote in the 2012 presidential election, trade unions and the pseudo-lefts, such as New-Anti Capitalist Party (NPA), are working to suppress struggles and allow the PS to carry out pro-business measures at the expense of the working class. Their role has been to oversee the reduction of labour costs in the years since Hollande's election, so that now companies are making bigger profits.

The French government statistical agency (Insee) recently reported that French labour costs have passed below those in Germany. According to Insee, "Labour costs, including salary and social benefits, grew barely 0.4 percent between the fourth trimester of 2013 and 2014." In Germany, labour costs rose to 1.6 percent in 2014.

Jean-François Ouvrard, an economist at Coe-Rexecode, told *Le Figaro*, "Beyond that, French firms will benefit from job-creation incentives and cuts to social spending as part of the Responsibility Pact."