French Socialist Party government presses Syriza to deepen austerity

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Ahead of yesterday's European emergency summit on the Greek debt deal, France pressed Syriza to accept draconian austerity measures demanded by the institutions—the European Union (EU), European Central Bank (ECB) and International Monetary Fund (IMF)—to obtain a final tranche of €7.2 billion in loans.

As the speculation mounts over the Greek default on its €1.6 billion debt repayment to the IMF, France's Socialist Party (PS) government is lining up behind Berlin and the EU institutions in Brussels, demanding Syriza impose savage social cuts.

Before the summit, French president François Hollande warned the Greek government to surrender to EU demands at the summit in order to remain in the euro zone. Hollande told reporters yesterday, "If we get a deal tonight, that would be better, but if not, we'll need to set the foundation tonight so that a deal can be reached in coming days."

While Paris is more cowardly in terms of publicly demanding draconian austerity than Berlin, the French bourgeoisie is no less eager than the Germans to slash workers' living standards. It fears not only a Greek default on debts held by France—whose total exposure to Greek debt represents some €70 billion—but anything that would cut across the austerity policies it is imposing both in Greece and at home in France.

During a joint press conference in Milan on Sunday with Hollande, Italian prime minister Matteo Renzi made similar demands: "We are all convinced of the need to offer a solution that allows Greece to remain part of the euro zone."

At the Friday summit in the Slovakian capital, Bratislava, Hollande insisted that any deal would have to be "in line with European rule"—that is, to increase cuts on social spending and raising taxes. This came after the Paris stock market closed on a low note the second time last week as concerns mounted about the impact of Greece's debt crisis on the French economy.

With the PS demanding that Athens implement draconian cuts, the bankruptcy of Syriza's perspective is totally exposed. As a party speaking for the affluent middle classes and sections of the capitalist class, it did not plan to make any appeal to opposition to austerity in the working class. Having come to power based on pledges to end austerity, it aimed to exploit divisions between the major European powers to force a reorientation of austerity policies demanded by Germany.

Now, as Paris and Rome line up behind Berlin in forcing Syriza to intensify its cuts against the working class, the bankruptcy of Syriza's attempt to mobilise Paris and Rome against Berlin has been totally exposed.

Hollande and Renzi made no criticisms of the austerity policies the EU is demanding of Greece. They do not even affect the pose of solidarity of Austrian chancellor Werner Faymann, who declared that he "stood on the side of the Greek people" while insisting that Athens live up to its commitments under the current EU bailout plan.

Visiting Athens last Wednesday, Faymann said: "I know there were a number of proposals, also from the [creditor] institutions, that I also don't find in order.… High joblessness, 30-40 percent [with] no health insurance and then raising VAT on medicines. People in this difficult situation cannot understand that."

Behind the relative silence of the PS government on the Greek crisis—its reluctance to posture as an opponent of austerity measures dictated by Berlin or to openly state its support for ruthless austerity against the working class—stands its fear of provoking opposition in the working class.

Hollande came to power in 2012 based on fraudulent electoral promises including greater social spending, renegotiating the European fiscal pact, and adding a “growth component” to the fiscal pact despite criticisms by Berlin. At the same time, however, he signaled to the ruling class that he would move rapidly to attack the working class and re-establish French competitiveness on world markets. Soon after the election, Hollande abandoned plans to renegotiate the fiscal pact and moved rapidly to impose austerity measures and liberalise the French economy in favor of big business.

The resulting surge in unemployment has made him France’s most unpopular president since the end of World War II, with his economic policies earning a 3 percent approval rating in polls last year. Nonetheless, while calling for major cuts in Greece and across Europe, Hollande is preparing the next round of attacks on the French working class, including a round of reactionary liberalisation and labour law reforms.