Macron to eliminate housing benefits for 50,000 people in France

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While French President Emmanuel Macron announced only a €5 cut to monthly Personal Housing Aid (APL) for low-income people, the state is in fact threatening to totally cut off tens of thousands of people from housing benefits.

Due to a benefit cut-off set up in January 2007, anyone receiving less than €15 monthly in housing aid is thrown off the APL rolls. According to BFM-Business, “With the across-the-board cut now announced, all those receiving €15-19 monthly will simply be thrown out of the system.”

According to data of the National Fund for Family Benefits (CNAF), nearly 50,000 people will be totally cut off from housing aid. This includes 20,224 recipients of APL, 8,415 recipients of Family Housing Aid (ALF), and 19,757 recipients of Social Housing Aid (ALS).

The French state spends approximately €18 billion yearly on housing aid. Thanks to this €5 monthly cut, it plans to cut spending €32 million per month, or €360 million per year. Thus, with its €5 monthly cut, the state is not just slashing yearly benefits by €60 per recipient; it is cutting up to €228 per year, given the many thousands of recipients who are receiving between €15 and €19 per month.

This cut symbolises the class character of the Macron administration, which arrogantly slashes benefits for students and working families while handing over untold billions to the super-rich.

The APL cut is simply an initial taste of tens of billions of euros in social cuts and attacks on the working class that Macron has been preparing to unveil since his election in May, while he simultaneously hands billions of euros in gifts to the wealthy. These gifts, including cuts to taxes on large fortunes (ISF) and on financial securities income, would cost some €7 billion, according to the French Observatory of Economic Situations (OFCE).

It is not hard to see which social benefits are set to benefit under Macron. According to the news magazine *Marianne*, “The judgment is devastating: for the top 0.01 percent in this country, the two key measures of Macron would mean tax cuts on the order of €1 million per year and per household.”

According to an OFCE research note, Macron’s tax cuts will net on average €4,225 for the top 1 percent of Frenchmen, that is, a 3.1 percent increase in purchasing power. However, for the bottom 90 percent of the French population, the average reduction in taxes will be €55, or 0.3 percent on average. This minute gain will be compensated, however, by deep cuts to key social services on which masses of people rely in France.

According to *Marianne*’s calculations based on OFCE data, “in fact it is even more interesting to ask who benefits among the wealthiest of the wealthy, at the top of the income ladder, that is to say for the wealthiest 0.01 percent. In this income layer, a couple with two children has income from financial securities of €3.4 million of the overall annual income of €6.3 million. For them, the tax cut arising from the unitary tax withholding system [replacing the ISF] would be considerable, nearly €450,000.”

This measure exposes the illusions in Macron promoted by all the major French media, that he was a young entrepreneur who would by sheer dynamism alone revitalise France’s economy. In fact, he plans to make France more attractive to investors by massively expanding social inequality. He aims to intensify austerity by carrying out social reforms, including the labour law, aiming to eliminate all the social rights obtained by workers in the struggles of the twentieth century, while also spending billions of euros on wars and the army.

On August 2, the French parliament definitively adopted the enabling act authorising the Macron administration to rewrite the labour law by decree. The reform, which is deeply unpopular, includes measures such as imposing a maximum on fines for unfair dismissal in the labour courts; allowing enterprises to negotiate contracts violating national labour laws and industry-level accords; and facilitating sackings.

Macron also plans to cut pensions and unemployment benefits by decree. The introduction of a pay-in system for pensions is intended to allow the state to move towards the abolition of the social right to a fully publicly financed pension. With unemployment benefit "reform," oversight and harassment of job seekers will be reinforced, while the duration of unemployment benefits will be cut.

The announcements of cuts by the Macron administration are provoking broad opposition among workers. Though he was inaugurated only three months ago, Macron and his government are already unpopular. According to recent polls, his approval rating has fallen rapidly, to 40 percent, the fastest fall for a newly elected president since the creation of the office of the presidency in 1958.

This collapse in popularity is the population's initial judgment on Macron's attempt to set up a naked dictatorship of the financial aristocracy. The housing benefit cuts, a wage freeze in the public sector, and a planned tax hike on retirees are all provoking growing anger.

Ifop pollster Jérôme Fourquet commented that Macron's fallen popularity is due to the government's "austerity policy…[and] various discontents and complaints coming from very diverse layers of the population," including working women, public sector workers, and retirees.