French Labor Unrest Illustrates Worsening Economic Crisis Within the EU

Oil workers strike has prompted one of the largest trade union federations to hold a day of action across a key state within NATO

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French workers affiliated with the General Confederation of Labor (CGT) held a "Day of Action" work stoppage on October 18.

This action came on the heels of an oil workers strike which demanded a rise in salaries amid the escalating rate of inflation that has impacted people throughout the western capitalist states.

The CGT call drew the support of tens of thousands of union members and students who demonstrated in major cities such as Paris against the declining social conditions faced by workers. In addition to the work stoppages and marches, in some instances workers broke windows of major businesses which have come to symbolize the current crisis.

These events are part and parcel of a growing uncertainty among workers throughout the European Union (EU) and the UK where rising energy prices, the costs of rents and mortgages are driving millions into poverty. Since the beginning of the Russian special military operations in Ukraine, the relations between Moscow and the EU have worsened leading to a precipitous decline in the availability of natural gas and oil.

President Emmanuel Macron has continued to refrain from direct governmental interventions in wage disputes involving private corporations. The French-owned TotalEnergies and United States based Esso-ExxonMobil, the leading oil and natural gas producers in France, were the scene of a strike by workers demanding pay increases.

After the failure of the oil companies to grant a retroactive 10% salary increase beginning on January 1, union members began a blockade of fuel shipment from the refineries. As the situation severely impacted the availability of gasoline, the Macron government took legal action to break the blockade in order to ease the shortages in Paris and in other areas of northern France.

Workers at some of the depots were ordered under threat of imprisonment to allow the departure of fuel trucks. Government spokespersons have said that the unavailability of fuel had been reduced from shortages of 30% down to 25%.

Two of the major unions representing oil workers, the French Democratic Federation of Labor (CFDT) and the French Confederation of Management- General Confederation of Executives (CFE-CGC), agreed to the company proposals, which promised a 7% pay rise and a financial bonus. Dominique Convery, the CFE-CGC union coordinator at TotalEnergies was quoted as saying, "It can't go on like this. We see what is happening in the country and we cannot remain insensitive to it." See this.

Nonetheless, the CGT workers rejected the offer by the companies and continued to call for strike action. This more left-leaning trade union federation announced that it would hold out pending the granting of a 10% wage hike.

An article published by Le Monde on October 12 noted:

> "Industrial action launched two weeks ago at France's TotalEnergies and Esso-ExxonMobil fuel depots has paralyzed six out of seven sites in the country, leading to nationwide shortages. In order to put an end to the stalemate, the French government ordered 'essential' workers back to their posts on Wednesday, October 12, to unblock two Esso-ExxonMobil refineries. This rarely-used measure means that non-compliant workers could face prison time or a heavy fine…. The context is first and foremost one of inflation, which is fueling growing concern among employees about their purchasing power. But it is also that of a company, TotalEnergies, making huge profits, which are more a result of the windfall effect than the company's talent at business. TotalEnergies' good results generated €10.9 billion in profits in the first half of 2022 and the company recently paid its shareholders a €2.62 billion dividend advance."

On October 13, the CGT representing civil servants and railway workers voted to enter the industrial actions by calling for a strike on October 18. Although some media outlets such as Le Monde claimed that the call for a general strike did not receive the support which had been anticipated, the response was significant enough to cause major disruptions in the education, medical services and transportation sectors.

The October 18 strike drew the support of opposition parties in France as well. Macron has been accused of favoring the wealthy and ignoring the plight of the working class.

France and the European Union Energy Crisis Fuels Inflation

Even though the rate of inflation in France has remained lower than in other EU states, the UK and the United States, people are facing economic hardships related to a number of factors which have surfaced since the early months of 2020. The COVID-19 pandemic brought about unprecedented pressures on the public health systems and the labor market.

Millions of workers were idled in Western Europe and the United Kingdom (UK) in response to the pandemic. EU governments and the UK were forced to implement aid packages for private corporations and workers amid the drastic decline in productivity along with household incomes.

Beginning on February 24, 2022, the Russian special military operations in Ukraine were accompanied by the draconian sanctions imposed on Moscow at the aegis of the administration of **President Joe Biden** in the U.S. These sanctions have not been able to bring down the Russian Federation's economy and society. In fact, Russia has reported trade surpluses over the last few months.

During October, the Organization of Petroleum Exporting Countries (OPEC+) met and agreed along with the Russian Federation to reduce the supply of oil production by 2 million barrels per day. Inside the U.S., President Biden announced on October 19 the release of several million more barrels of oil from the strategic petroleum reserves. Biden had met with the Saudi Arabia leadership earlier in the year in an effort to coax the monarchy into maintaining oil production at levels which would be beneficial to the U.S. capitalist system.

Nonetheless, Saudi Arabia and other OPEC states joined with Moscow in the reduction of production and trade. Biden's only response was to say that his administration is re-evaluating their relations with the Saudi government.

Moscow has cut off the supply of natural gas to several dependent EU member-states in an effort to punish these governments which are also members of the North Atlantic Treaty Organization (NATO). French President Macron travelled to the former colony of Algeria recently in North Africa to negotiate an increase in the supply of natural gas. Macron said prior to his visit to Algiers that it would be a "cold winter" in Europe this year.

Reuters press agency reported during early October that:

> "European Union leaders will ask the EU's executive arm on Friday (Oct. 7) to work out how to tackle soaring inflation through a cap on gas prices in a bid to address the root cause of the EU's problems, draft conclusions of the summit showed. The call for an EU gas price cap, which Germany, Austria, the Netherlands, Hungary and Denmark have opposed, comes as the 27-nation EU is scrambling for a joint response to the unfolding cost-of-living crisis, caused by the collapse of Russian gas deliveries in retaliation for the EU's support for Ukraine."

In Britain, which voted in 2016 to exit the EU, the newly-installed Conservative Party government of **Liz Truss** failed miserably in their efforts to stabilize the national economy. Truss initially called for massive tax cuts for the rich claiming that these measures would facilitate economic growth.

However, the initiatives created panic within the financial markets in the UK and beyond. The British pound sank in value while the Bank of England (the central bank) purchased large volumes of treasury bonds aimed at preventing a total economic collapse.

Prime Minister Truss soon fired her Chancellor, **Kwasi Kwarteng**, who was blamed for the disastrous economic policy. On October 19, the Home Secretary for the British government **Suella Braverman**, charged with national security, resigned while attacking the administration of Truss.

The following day on October 20, Truss announced her own resignation after spending only six weeks in office. Conservative Party leaders within parliament will have to select yet another prime minister, the fifth in the last six years. Members of Parliament within the Labor Party and other opposition forces are calling for a general election. The Conservatives in recent opinion polls have been trailing Labor by more than 30 percentage points.

A Crisis of Governance within the Capitalist States

These developments within the EU and UK are mirrored somewhat in the U.S. The Biden administration has failed on its mandate to bring economic and social relief to workers and oppressed peoples who were responsible for his ascendancy during the 2020 contentious elections. Biden's approval rating has declined significantly as the economic crisis worsens inside the country.

Early voting has already begun in the U.S. for the midterm elections on November 8. Some political researchers are saying that the Democratic Party could lose control of the House of Representatives imperiling even further the presidential authority of Biden.

Biden has continued to pledge military equipment, advisors and other assistance to the failed war drive in Ukraine. His lackluster policy decisions have not made a dent in the declining living standards of people within the U.S.

At present the economic situation in the capitalist countries is being aggravated by an overall crisis of governance. The workers and oppressed within these states must begin to look at socialist-oriented transformative policies which could address inflation, imperialist war and the monumental redistribution of wealth needed to empower the majority within society.

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Featured image: French CGT unions confront oil companies over pay hike (Source: Abayomi Azikiwe)