Enshrine and Reevaluate Work

Competitiveness itself – repeatedly invoked – is it not a vague concept designating the ability of a country and its companies to confront competition? By focusing on competitiveness from the bottom – reality internal devaluation – which involves lowering the export prices simply by reducing the costs of production. Public discussion therefore focuses on labor costs while the cost of capital is never mentioned, whereas net income distributed today represents 10% of the added value of non-financial corporations. This historically record level since the Second World War, compared to 5.5% in 1999, concludes that the share for shareholders has increased to a considerable extent over the past twelve years. In other words, the complaints of employers who threaten to lower investments and research have no traction. In fact, they ignore the increasingly higher share that companies choose to distribute to owners of capital, regardless of the intensity of the economic and financial crisis. With a profound questioning of the ability of businesses to cope with all the rough edges of competitiveness due to these distributions. That is why the rights of employees undergo an unprecedented attack, which is why the costs should be compressed if the goal is to win market share in exports: these are clearly the requirements if the goal is always to remunerate more shareholders, capital and finally those who bet on the stock market… Logic however taken in inextricable contradictions, knowing that the Orwellian speech of industrialists and corporate bosses attain summits of implausibility and arrogance when they explain that the fight against job cuts is… to fight against the job! Understand once and for all that competitiveness is not necessarily synonymous with unemployment, with precariousness or with the explosion of inequalities, contrary to what markets and employers impose on employees and workers for over twenty years. Let’s rebel therefore and reject with disgust the allegations of the President of the union bosses (MEDEF), Laurence Parisot, who said in 2005 in the Figaro: “Life is fragile, love is precarious, why should work be secure?” Indeed, such statements devote the defeat of the policy of which one of its tasks should be the determination of the rules of the economic game and the tutelage of neo-liberalism which is only a ploy aimed at putting Europe on the automatic pilot of a competition intended to resolve all issues. To replace the culture of the state with the obsession of sales
means to trample on the very essence of work, however, the source of all economic value.

This is why the only way to restart the economy is to give purchasing power to those who really spend in the real economy. Indeed, only the poor and middle classes are concerned and actually benefit from the economy. They alone are responsible for growth. The upper classes, for their part, hoard or invest in financial products. This is why it is imperative – even essential – to raise wages, including the minimum wage. Confiscation in good standing of the economic apparatus has been undertaken since the late 1970s by a tiny minority that has redistributed the product of the work of others largely in its favor. They are actually not so much our factories, industries and businesses that are not productive. This productivity was actually monopolized for the benefit of an elite who assisted, totally indifferent, to the widening of a gap between real wages and productivity. Germany itself, which stands as donor in the lesson of productivity was only able to benefit from growth above the European average due to constant sacrifices required of its population. The German export engine roars not only thanks to the productive power of its businesses. In reality, it is the so-called reforms to the “Hartz” businesses between 2003 and 2005 – which consisted of transferring resources and wealth of citizens to businesses and to the financial sector – that Germany must have boosted its exports. Actually, it is the wage cuts to, and drastic reforms of, its labor market that have improved significantly its productivity, compressing it at the extreme cost of labor. Reform claims initiated in August 16, 2002 where a group of experts led by the Director of Human Resources Volkswagen, Peter Hartz, presented to German Chancellor Gerhard Schröder, his proposals for the reform of the labor market. Ten years later, German society has become deeply transformed by these reforms. Indeed, an OECD study, published in late 2012, concluded that there had been a dramatic increase in income inequality in Germany, more than any other member of that organization. Having very finely maneuvered, the Hartz Commission was able to create a market of subsidiary – or parallel – work in its country dominated by low wages and not subject to social rights. In fact, these reforms deprive unemployed Germans of all their rights to unemployment benefits. They are therefore reduced to the status of social beggars! Thus, it is only after a year of unemployment that the worker is entitled to request a paltry monthly allowance of EUR347 per month, on condition that he has first exhausted his savings and on the express condition that his spouse is unable to support him. Why not also mention the obligation he has to accept any job, regardless of their qualifications and previous earnings. Hartz is therefore both a trap and the best way to poverty, how to arrive at a state of absolute insecurity, unthinkable and intolerable in a rich country like Germany. A study by the
German Equality Welfare Association actually reveals that three-quarters of those affected by these laws remain forever dependent on Hartz. Given that, moreover, the mere threat of falling into Hartz forces the unemployed to accept low-wage part-time jobs, devoid of security, pension rights and other benefits. The German dogma of the “low cost” worker was the result of these reforms… And, in fact, only 29 million Germans (of nearly 42 million workers) now have employment under the social security scheme while some 5.5 million of them work part-time, and more than 4 million earn less than EUR7 an hour! The German low-wage sector pulls by the bottom of all wages in the industrial sector by acting as a kind of infernal lever. The worker endures conditions similar to those still in force in the Third World and emerging countries.

It is therefore at the price of the sacrifice, hardship and sometimes humiliation of its employees that Germany owes its trade surpluses, not rational or qualitative productivity improvement. Would we in the rest of Europe – and even in Great Britain – accept such “Hartz” sinister and cynical measures, when the state becomes the Grand Inquisitor by requiring a list of accounts and jewelry from the employee so as to fix his unemployment compensation or benefits? Therefore it is at the expense of its employees, pushed ever more precariously, that businesses and major banks in this country owe their international success. It is therefore vital to raise Western wages today, not only to correct this outrageous inequality. But also to re-establish the traditional correlation between productivity, real wages and consumption. Therefore, it is inevitable to ask: the insistence – even the sheer determination – of neo-liberals to claim an improvement in the competitiveness of our businesses, is it motivated by a search for additional benefits for investors for this caste of shareholders or is it really intended for growth that would benefit all players in the economy, i.e., the consumer base? It is certainly legitimate to advance the productivity of each one… provided that its improvement translates into purchasing power for the ordinary citizen. Because growth will only be perpetuated by the transmission belt of increased income, which is why it is crucial to proceed first to the increase in the minimum wage. As, on the contrary, it is economically unjustified to leave so many resources in the hands of those who spend less or wrongly.

Let us for a few minutes consider the theory of the plot which, as it happens, would indicate to us that the financial world and business leaders are against full-time employment. The intervention of the state is however able to effectively address unemployment among our people. Through public investment, as in the construction or renovation of schools, hospitals or roads. Through social benefits, subsidies on staples,
even a reduction in direct taxation on certain fiscal households and SMBs. Through a reduction in VAT. So many measures which, combined according to an appropriate and targeted schedule and in rational doses are likely to result in a substantial reduction in unemployment. It goes without saying that this increase in the revenue of impoverished and average households would benefit first and foremost consumption, that is to say businesses and therefore, definitively, their general management as well as finance the provider of credit. They are, however, fiercely opposed to this type of economic recovery beholden to the state, as they vehemently fight against any increase in social benefits. Despite the positive impact on their own businesses and on the strong performance of the financial system. In reality, they are ideological reasons which feed the condemnation of big business and high finance against the growing role of the state in public life as well as in economic activity. It is of little importance that full-time employment can be reestablished by the intervention of the state, as they sweep a backhand that subsequent swelling of their own profits following this action by the state, if the price to be paid by them is losing control over the economy and government. That is why it is now high time to draw a final conclusion: the righteous and outraged attitude of finance and neo-liberals against public deficits is only a posture that gives them an excuse to dismantle social programs and reduce the size of government. As such, neo-liberalism actively seeks out confrontation by not having to constantly shake the specter of deficits, of which it doesn’t give a damn! Knowing that its one and only objective is the very deepening of this crisis which will allow it to call for more shrinking of the government. Indeed, let us be under no illusion: the neo-liberals and high finance have an interest in fanning this psychosis of public deficits, whose increase in intensity will give them the perfect excuse to cut public spending and aid to needy citizens.

Finance – which today holds the keys to our prosperity – is indeed opposed to the use of public deficits to stabilize and reboot our economies, since it is aware that the return of the state would mean its death sentence. According to it, jobs would only be a variable of private investment in the economy: it improves in case of a recovery in confidence and must be reviewed without qualms downward depending on the decline in production and the decline in agreed upon funding with the economic actors. Full-time employment – or, at the very least, substantial improvement in unemployment is therefore not a priority for financers who view it, on the contrary, as a danger of the proper running of their businesses. In the large financial and employer system, the employee and worker are actually pawns – or dead weight – to move forward and backward – even throw away – according to the profitability of the business and the investor strategy. When the value of work is
sacred, the employee becomes a “troublemaker going around in circles”… Moreover, it makes sense that employers are – at least intuitively – against full employment which would reverse the balance of power that would suddenly no longer be in their favor.

This confiscation of all power made our world slip de facto from state imperialism to financial imperialism, while profoundly changing our values along the way, since the benchmarks were all violated when dignity and respect were removed from the work ethos, yet holding our societies together. This financial imperialism has taken on another face and another character different from what dominated in the 20th Century since interest groups in certain former colonized countries or third world countries – since then given a promising new name “emerging” – are aligned and associated with the new elite of the former colonizing countries to exert their dominance over the mass of workers and employees throughout the world in favor of globalization, the ultimate creation of financialization. Only the state, even a union of states, is now even channeling this imperialism. The violence of today’s crisis, which seriously made high finance falter and which challenged its stranglehold, should stimulate a crystallization and encourage the emergence of a common front between corporate and political forces aiming to dethrone – or at least humanize – this oligarchy. It is of course out of the question to return to Marxism. But why not be inspired by Marx and his critical mind, not only to assassinate capitalism, but particularly to transform it, even bestowing ideological fundamentals on it, which would contribute to the material and moral enrichment of our societies? Even there, only the state – as the incarnation of the collectivity – can give this impulsion, even if it is also out of the question here to return to the classic notion of the state, since it is all the more imperative to rethink its role. It is indeed with great difficulty, at the price of sacrificing dozens of millions of human beings and at the risk of a new world war, that the communist dogma of the predominance of the state over the individual has given up the ghost. It has therefore been ruled out that the increased role of the state – which some call rightly vows – dons once again the robes of the former barbaric formulation where the state apparatus knew what was better for the citizens than they. Rethink the state and consider emphasizing its role in economic life should necessarily be bearing constantly in mind the sense of obligation of this same state vis-à-vis its citizens as well as its own limitations. If dismissing the financial oligarchy has been ruled out in order to replace it with a political autocracy, the present day crisis must nevertheless force an overhaul or a recalibration of the primary role of the state as protector and regulator. Keynes constantly told us that, far from accomplishing what the “individuals do already”, the state must start to do “things that it does...
not yet do”. Whatever it is, the state must “become part of the solution”,
to borrow the Reagan’s phraseology, by pushing it further.

Is it not pathetic to note that the employer (mainly Anglo-Saxon, it is
ture) is clearly more concerned with engineering, financial arrange-
ments, and other trading affecting his business that modernizing his
production equipment and reducing unemployment? And for good
reason: this financialization pushed to its present extremities transferred
almost all wealth from the working world to the famous privileged “1%”
who naturally found their account there. And who get richer and richer
due to this financialization, without any consideration given to society
as a whole. That is why the average person’s income has not increased
as much as work productivity. That is why we are constantly required to
improve the productivity of our businesses. A marked improvement in
their income revitalized the poor and middle classes, while having a
relatively benign impact on corporate profits, of which the majority
enjoyed result in total disconnection from the somber economic reali-
ties. The production and productivity abilities of our businesses must
actually be improved. But they will not be sustainable or equitable
unless the consumer buys goods and products and pays for services.
Therefore if his income benefits from a substantial increase.