
MACRON ANNOUNCES FINANCIAL CONCESSIONS IN BID TO END 'YELLOW VEST' REVOLT

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Embattled French President Emmanuel Macron Monday (10 December) announced a series of financial measures seeking to defuse the yellow vest revolt that has triggered violent protests in cities across the country.

In a 15-minute televised speech from the Élysée Palace, a sombre-looking president told the nation, I accept my share of responsibility for the crisis.

The former investment banker struck a more humble tone than usual as he sought to address criticism of his style of leadership.

I know that I have hurt some of you with my statements, he said.

Macron stressed, however, that the protests by mostly low-income people in small town or rural France were the result of long-term problems.

Their distress doesn't date from yesterday. We have ended up getting used to it, he said.

These are forty years of malaise that have come to the surface.

Among the measures Macron announced was a 100% monthly increase in the minimum wage as of next year, for which businesses would not have to foot the bill.

The minimum wage was set at €1,498 a month pre-tax in 2018 and €1,185 after tax.

Macron's government had previously suggested that any increase in the minimum wage would destroy jobs rather than help create them.

But the protests, which have seen rioting in Paris and other cities and taken a heavy financial toll, are the biggest challenge for Macron since he came to power in May 2017 promising to revitalise the economy.

Since then his popularity has fallen with critics saying he favours the rich and alienates people struggling, especially in provincial France.

Pensions, overtime

The 40-year-old centrist also announced he would roll back most of an unpopular increase in taxes

on pensioners introduced by his government.

And he called on all businesses that can afford it to give employees a one-off end of year bonus which would be tax free.

In another move to appease protesters anger, Macron said he would do away with all wage taxes on overtime work.

Macron, who has been in power for the past 18 months, on Monday held four hours of crisis talks with government ministers, parliamentary leaders, business and labour representatives and regional officials.

He had previously vowed that unlike his predecessors he would not be swayed by street protests.

But in an initial attempt to quell the revolt now in its fourth week, the government agreed last week to cancel a planned increase in anti-pollution fuel taxes – the spark behind the yellow vest protests in car-dependent rural and suburban France.

But the move was seen as too little, too late by the protesters, who held a fourth round of demonstrations on Saturday to press for further concessions on reducing inequality.

The campaign of nationwide road blockades and weekend protests in Paris and other cities over four consecutive weekends, which degenerated into destruction and looting, have taken a toll on the French economy.

The central bank on Monday halved its fourth-quarter growth forecast to just 0.2% from 0.4% – far below the 0.8% growth needed to meet the governments full-year target of 1.7%.

Nationwide an estimated 136,000 people turned out for the protests last weekend – the same number as a week earlier.

Since the start of the protests, more than 4,500 people have been detained, police said.

Speaking of the violent actions of some of the protesters, who notably set fire to barricades on the Champs-Élysées and defaced the Arc de Triomphe monument, Macron said his government would show no leniency.

No anger justifies attacking a policeman (* When violence breaks out, freedom ceases to be, he said.

Yellow vest reaction

Reactions to his speech from the yellow vests were hard to judge as the movement is leaderless and has refused to come under the sway of political parties or trade unions.

Some protesters, interviewed on French television, acknowledged that Macron had made some concessions, but added that these were insufficient to call the protests off.

This time, there really is some progress. My smile got bigger and bigger as he spoke, said Erwan, one of the movements spokesmen in the northwestern town of Rennes.

But, for Pierre-Gael Laveder, in the eastern town of Montceau-les-Mines, Macron hasnt taken the full measure of what is going on.

Every one of his announcements was booed and the first overall reaction was he thinks we are fools, Laveder added.

Right-wing opposition leader Marine Le Pen, Macrons rival in last years presidential run-off election, welcomed some of the tax measures announced, but accused Macron of being the harbinger of savage globalisation.

He refuses to admit its the (economic) model which he champions which is itself called into question, she added.

Jean-Luc Mélenchon, who heads the left-wing opposition Unbowed France, said Macron was mistaken if he thought a distribution of money will calm the insurrection.

The European Commission, which monitors EU members finances, said it would study the budgetary impact of Macrons measures which are expected to cost billions of euros.

We are monitoring the potential new measures announced, but we cannot comment until they are properly announced and detailed, said Valdis Dombrovskis, the commissioner for the euro.

Kaynak/Source: