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France

A second wind to defeat Macron

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The movement for the withdrawal of the pension counter-reform entered its 46th day of strike at the RATP and SNCF on 18 January, the 46th day of mobilisation in various forms across the country.

The strike movement is still supported by a large majority of the population, support shown by the flow of donations into the strike funds, the various expressions of sympathy even from employees inconvenienced by transport strikes, support shown by all the opinion poll institutes, reminding us week after week that the movement is approved by two-thirds of the population.

Moreover, the same proportion of the population, two-thirds, is expressing growing concern about the reform and the future of their pensions.

Macron hoped to end the strikes with the letter sent to the unions on 11 January.

In that letter, Prime Minister Edouard Philippe pledged to remove temporarily from the bill the "pivotal age", the obligation to work until the age of 64 in order to obtain a full pension. He also agreed to the CFDT's request to organise a conference on the financing of pensions which could possibly propose another measure to achieve the 12 billion in savings in the pension insurance accounts required by the government.

This manoeuvre by the government came at a time when the government was on the defensive, unable to rally public opinion to its reform and having failed to quell the strike over the holidays. Philippe's inflexible stance, having succeeded in alienating the CFDT, was even criticized within the presidential majority.

This "retreat" was applauded by the press. The leaders of the right-wing party the Republicans, only too happy to get back some space faced with Macron, denounced this "retreat of the reform" after "multiple concessions to the special schemes".

On the side of the trade union movement, only the CFDT and UNSA applauded this announcement, too happy to find a way out.

This manoeuvre had no effect on the strikers, but it was once again an opportunity for government ministers, widely supported by editorialists in the main media, to denounce the determination of the strikers and the unions.

On the other side, it should be noted that a fairly solid trade union front was maintained, bringing together the CGT, CGC, FO, Solidaires and the FSU in the fight for the withdrawal of this so-called reform, unions that represented 56% in the professional elections for, while the CFDT and UNSA represented only 31.2%. (The CFDT is still presented as the leading union in the country, although it only exceeds the CGT by 0.1% of the votes in total, 24% against 23.9%). [1] Even the main trade union for managers, the CGC, is still in this trade union alliance, whereas it is more often allied with the CFDT in a pro-management policy.

All these elements reflect the broad rejection of this bill, which aims to profoundly dismantle the pay-as-you-go pension system.

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The publication of the bill itself has only confirmed what has been put forward for months by those who are fighting it.

Two essential elements are affirmed in the bill's articles:

[-] The financial and budgetary logic which must be the guiding principle of the system to the detriment of maintaining the level of pensions and the retirement age.

[-] The logic of Macron's authoritarian liberalism, with the State taking in hand management levers that were until then in the realm of paritarianism [joint management by employers and unions].

We are faced with a project that sets as a categorical imperative the limitation of public spending on pensions to 14% of GDP. In addition, the system will have to be compulsorily balanced on a provisional basis over 5 years. Thus, in 2025, there would be an obligation to balance the 2025-2029 budgets. As any deficit is prohibited, and as the increase in resources (contributions) is also prohibited, the only variable would remain the amount of pensions or the extension of the retirement age.

Moreover, in sometimes obscure formulations, it is well understood that managers would have to adjust the rates of increase in the acquisition and service values of pension points (the service value being the value of the point for calculating the amount of the pension when it is liquidated) to maintain financial equilibrium. And, if the "partners" disagree, the government would decide on these values.

Contrary to government propaganda, the "age of equilibrium" has not disappeared. Basically, in the decades to come, the Fund's managers will have to gradually push back the age at which it is possible to retire without a financial penalty. This age would slide by a period equivalent to two-thirds of the increase in life expectancy.

Moreover, concerning resources, since the Social Security Financing Act 2020, the State no longer reimburses the Pension Fund for shortfalls due to decisions to waive employers' contributions, which represents a significant shortfall.

The impact study that accompanies the bill estimates that, with regard to the departure age, it should be 65 years for the generation born in 1975 [thus retiring in 2040] and 67 years from 2050 onwards.

Finally, articles 15 and 64 of the bill detail the introduction of supplementary funded pensions (Retirement Savings Plans). The government by ordinance would have the power determine the tax regime of these funds, intended initially to collect the payments coming from annual salaries of more than 120,000 euros. In addition, the banks are explicitly invited to quickly set up pension products to collect payments from high salaries.

The AXA group (insurance and asset management group, 102 billion euros of turnover in 2018) has just published a brochure to promote its pension plans explaining quite simply that its clients should protect themselves from the programmed decline in pay-as-you-go pensions....

Finally, hoping to be out of the woods, the government wants to move quickly to adopt this destructive counter-reform. On 24 January, the project will be presented to the Council of Ministers, then on 3 February to an "ad hoc" committee of the Parliament, expressly chosen by the executive, whereas it would have been customary for this to be the Committee on Social Affairs. Finally, the law will be debated and voted on according to an accelerated procedure with only one reading per chamber (Assembly then Senate) in order to complete the process before June. Finally, many points of the law will be left blank, leaving it up to the government to write them down and enact them

by ordinance (thus without parliamentary debate and vote). Even with a large majority in the Assembly, the government wants to avoid a crystallization of debates in the Senate, where the presidential party is in a large minority, and long debates on amendments.

Alongside this "conference on financing", as requested by the CFDT, is to be held. This mock consultation will be framed by the obligation to find an alternative solution to the postponement of retirement age to 64, an alternative which will make it possible to find 12 billion from 2022 to 2027...while not being able to propose an increase in contributions, nor to use the Pension Reserve Fund created in 2001 to amortize the demographic imbalances, of an amount of 32 billion euros; nor the Fund of amortization of the "social debt", a swindle fund and holding 17.6 billion. There would therefore remain only two solutions to choose: increasing the number of years worked (43 years today) or postponing the retirement age to 64, as desired by the MEDEF and the government. In any case, we can expect a great victory for social dialogue!

The movement is therefore not short of arguments to justify its action.

But the problem is still that of the entry into the strike in other sectors.

The week of 13 to 18 January marked a turning point. There is no weariness among the strikers or the participants in the demonstrations. Nevertheless the effects of more than a month of strike action have to be managed. Around a hard core, strikers are beginning in places to concentrate on the action days, in order to save strength. And the total percentage of strikers is lower than in previous weeks. The same is true of the 16 January demonstrations, just as combative, but less numerous than those of 9 January. Many mention the need to last, while taking into account the absence of relays from an important sector.

Yet extensions exist. Port and dock workers are organizing port blockades, while refinery workers are continuing to block production, as are gas electricians. In many universities and high schools, mobilizations are developing, in connection with the actions of teacher-researchers and teachers mobilized against the baccalaureate continuous assessment tests. Employees of private companies, such as Cargill in Lille, fighting against redundancies, are joining the demonstrations on pensions. Lawyers continue the strikes at hearings and are taking spectacular action.

Many *interpros* have this week turned to spectacular actions of occupation and blockages. This is a way of occupying political space, of maintaining mobilization, but it also reflects the limits of extension. [\[2\]](#)

The movement is therefore changing its rhythm. The determination and powerful conviction of the need to push Macron back is still strong. The sense of broad popular support is also strong. Likewise, the certainty that the issue of pension counter-reform is one of the pillars to be destroyed in the offensive of social destruction suffered in particular by teachers and hospital workers who for the past year have been denouncing the misery of hospitals. Moreover, women, the unemployed, young people and the precarious, appear to be the big losers of this reform.

So it is indeed an awareness of a global struggle against the system that is bubbling up in the crucible of this mobilization.

But in order to win, it will be necessary to find a second wind, with the entry of new forces, new sectors in the strike.

For, even if a victory for Macron to get his project through would undoubtedly be a Pyrrhic victory, it would be no less a further deterioration of our living conditions, and even more so for the generations to come.

18 January 2020

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[1] The "professional elections" in France are mandatory. Companies with more than 10 employees elect "délégués du personnel" (workplace representatives), those with more than 50 elect a "comité d'entreprise" (workplace committee). The candidates are presented by the recognized trade unions. This gives a measure of the strength and representativity of the different union federations and confederations.

[2] One form of action that has rapidly become popular is workers throwing down the tools or emblems of their trade in front of government representatives or employers - doctors their white coats, lawyers their black robes, teachers their briefcases and text books, workers of the national furniture works responsible for the furniture in public buildings their tools... While the musicians, singers and dancers of the Opéra de Paris organise free concerts on the steps of opera houses. See this short [video](#).