

# France, in defense of the pensions - Keep the embers of the strike alive to start the flames again

Thursday 26 December 2019, by [CREMIEUX Léon](#) (Date first published: 21 December 2019).

**The new day of demonstrations on 17 December confirmed the general trend of increasing social confrontation against pension reform.**

Demonstrations were massive throughout the country, rarely lower, often higher in number than on 5 December, with the overall number of demonstrations at the national level rising to well over one million (although, without much conviction, the government tried to hammer home the announcement of lower figures on 5 December).

The rallying of the CFDT and UNSA to the demonstrations reflected a growing opposition to Macron's plan, although this did not translate into a notable presence in the marches. National Education employees were in large numbers everywhere, with a real increase in mobilization in primary and secondary schools (50% and 60%). There was a great diversity in the demonstrations, despite the low presence of contingents from private sector employers. But, in most cases, there was dynamism and radical slogans against reform and the display of a clear will to continue.

At the same time, 17 December saw massive turnout figures for the strike and mass meetings at SNCF and RATP and systematic votes for to continue the strike. SNCF management recognised nearly 80% of striking drivers; the employers' union noted 5 out of 8 oil refineries blocked, and power cuts by EDF agents. But nevertheless, this was not the moment a new sector started an all-out strike nor the starting point for an economic blockage of the country.

The announcement, on 11 December, of the general outline of the project by the Prime Minister, thus had a radical effect of rejection, among the employees and the trade union movement, a tendency reflected by the strength of the 17<sup>th</sup>. All opinion polls express a majority rejection among the population of the project itself, whereas in the months and weeks preceding the movement, this rejection was in the minority. Similarly, support for the strikes also became stronger around 17 December.

As a collateral victim of this power struggle, Delevoye, who had been the government minister responsible for the pension reform for two years, was finally forced to resign from his post in the middle of the conflict. He had forgotten, at the time of his appointment, to declare several posts he held in structures linked to insurers. Moreover, since his resignation, new revelations have come to light, notably the generous financing of 1 million euros for an association of which Delevoye is the president: financing by the AG2R La Mondiale group (one of the main managers of complementary insurance), which is very interested in the new law and the prospects of funded pensions.

Within the majority, the cracks began to operate, criticizing Edouard Philippe's rigidity and pushing

him to “make a gesture” to try to defuse the CFDT’s hostility to its reform.

The debate with the CFDT leadership is essentially centred around a point added to the reform of the pension system: the “pivot age”.

Macron wants to completely liquidate the current pension system by moving to a system with guaranteed contributions based on points. But he also intends to use the opportunity to decide to move from 62 to 64 years of age to obtain a full pension, i.e. without any penalty. In practice, by leaving at 62, an employee would see his or her final pension reduced by 10% and would have to stay at work for two more years for a full pension.

The government considers this extension indispensable to balance the budget in the coming years. However, the reality is that, today, the accounts of the pension funds are balanced and that the deficit forecast for 2027 is due not to an increase in expenditure, but to a significant drop in the financing of pensions: two essential causes for this are the exemptions from social security contributions enjoyed by companies, which are not compensated by the State, and the decline in public employment leading to a drop in contributions by civil servants.

In addition, the forecasts of the COR (Conseil d’orientation des retraites) also predict a decline in pension expenditure as a percentage of GDP over the next 20 years, due to the programmed decline in average pensions as a result of previous reforms by right-wing and Socialist Party governments (Fillon 2003 and Touraine 2014), which have increased the number of trimesters required to obtain a full pension, in both the private and public sectors.

Moreover, it should be stressed that at a time when we are told about the decline in the number of working people and the alleged need to work longer, the NRC and most “experts” endorse maintaining an unemployment rate above 7%.

Thus, this postponement of the pivot age, under the pretext of the new COR report, is mainly pursuing political objectives for Macron.

First of all, it clearly states its intention not to give in to any compromise or negotiation with the unions, even “reformist” ones, and to impose a reduction in social protection systems. It affirms also that what is considered an economic imperative for companies is not debatable. And thus intends to consolidate Macron’s position as a solid manager of capitalist interests. But the aim is also to anticipate what would be the management of pensions with a points-based system. Since it is neither a question of increasing contributions nor (according to a current commitment) of changing the value of the point on purchase or liquidation, the last variable element for the balance of pension funds remains the starting age. By already putting a marker on this issue, the government is therefore insisting that the state, and not the social partners, will be in control of the game. Here too, it is Macron’s intention to further reduce the weight of autonomous management of the social protection system between employers and trade unions.

And it is this last point that makes the pivot age a sticking point for the CFDT leadership.

At the beginning of 2019, when the government wanted to impose a reduction of more than 3 billion in the expenditure of UNEDIC (the body that manages unemployment benefits), the MEDEF and the unions in the management of the system (CFDT, CGC, CFTC, CGT, FO) were unable to find a point of agreement to achieve this reduction in rights. It was therefore the government that bypassed the “social dialogue” and imposed a decree attacking the unemployed. But it is this social dialogue, this parity between trade unions and employers, this framework of negotiation, which is the CFDT’s calling card. Laurent Berger, the union’s first secretary, was rendered extremely indignant by this

episode, and he sees a similar situation in which, for another branch of the Social Security system, Macron will close the doors of paritarianism, without even leaving an honourable way out. [1]

This explains the virulence of a union leadership, ready to accept a major social setback in the pension system, but on condition that it retains its role as manager, being able to “negotiate the weight of the chains”, as it were. For both pensions and UNEDIC, the CFDT does not accept that the government should set the roadmap and conclusions a priori, leaving it up to the unions to choose the colour of the pen to sign the agreement.

On 18 December, Edouard Philippe, the day after the massive mobilization on the 17, therefore engaged in a mock negotiation of a few hours with all the trade union leaderships, wanting to demonstrate to his supporters his willingness to break the deadlock and reopen avenues of negotiation.

There was nothing new, either in terms of the substance of the reform or the pivotal age. Under the surface, however, and without any signage, the management of SNCF and RATP tried to negotiate the transition phases, allowing a few more generations born after 1975 to avoid the regressions of the reform.

The confederal UNSA and CFDT directorates, caught between the government blockade and the strength of the strike movement, have tried to use this staging of negotiations to take a step aside, withdrawing from the movement, by declaring themselves in favour of “a Christmas truce”, although the only promise they have is more discussions in January.

The government could obviously be pleased to see the “cracking of the union front”, especially as the moment is delicate for it, which bears the responsibility for blocking any agreement, on the eve of the holiday departures disrupted by the lack of trains.

The decision of the UNSA and CFDT leaderships, symbolically important, weighs little on the strikers' front. At the RATP, the CFDT is very weak and the majority UNSA opposed the choice of its leadership to suspend the strike.

At the SNCF, the UNSA, the second union after the CGT and before SUD Rail, is essentially a union of managers and supervisors and represents less than 8% among drivers. Moreover, in most SNCF General Assemblies, the UNSA sections have dissociated themselves from their management and have called for the strike to continue. The CFDT railworkers, the fourth union behind SUD Rail, also called for the strike to continue. CGT and SUD together represent two-thirds of the drivers.

Despite this determination and the social balance of power in the country, several negative factors weigh on the movement.

Firstly, the weight of almost three weeks of strike action at the SNCF and the RATP. The number of strikers on the 17<sup>th</sup> also signalled the desire to mark a big blow so as not to have to continue for too long afterwards. In addition, the teachers are on holiday as of 21 December and their mobilization will not have an impact ring the next two weeks. It is unlikely that other sectors that have not been mobilized so far will move into action during the holiday season.

Moreover, the national joint union coordination [intersyndicale] of CGT, FO, FSU, Solidaires, while saying that it refused a truce during the holidays, did not call for any new day of mobilization, in any form, in any perspective, before 9 January. Thus, it is certainly basing itself on an objective situation in many sectors, but is not playing its role vis-à-vis the most mobilized sectors, first and foremost the SNCF and RATP. Without a new national appeal, the national intersyndicale also appears in practice

to be in a state of truce, at a very delicate time. Solidaires also issued a press release calling for action between 20 and 23 December. In addition, beyond the SNCF and RATP where the strike is being renewed, in many towns and departments, the intersyndicale and combative cross-sectoral assemblies called for actions on the weekend of the 21<sup>st</sup> and at the beginning of the following week. [2]

In conclusion, the government has managed to get through the last few days, without giving up anything, in increasing political isolation, but avoiding a blockage in economic life that would have brought it to its knees and forced it to back down. Moreover, on the political level, it is consolidating its political weight in its camp, succeeding in totally anaesthetising the LR party.

The social movement increased its support, reinforced popular mistrust of reform and of the government itself, but it did not have the strength to extend the renewable strike and mobilization to other sectors of the civil service, let alone the private sector. The essential task will be to keep the embers of the strike and of the cross-sectoral local mobilizations burning in the coming fortnight, by maintaining the cohesions built in recent weeks at the grassroots level. In any case, it will be a new phase that will begin in a fortnight.

**Léon Crémieux**, 21 December 2019

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## **P.S.**

- Translation IVP. Tuesday 24 December 2019:  
<http://www.internationalviewpoint.org/spip.php?article6336>

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## **Footnotes**

[1] The French social security system is financed by employers' and employees' contributions and is managed jointly by the representatives of the employees and the trade unions. This system was constructed in the aftermath of the Second World War on the initiative of the National Council of Resistance. "Paritarinism" refers to the parity of representation of the employers and unions in the managing bodies of the system. IVP

[2] Many appeals have now been made for demonstrations on 28 December. IVP