

France: Sarkozy, unions collaborate in attack on pensions

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President Nicolas Sarkozy is planning pension cuts for public sector workers in preparation for a massive attack on all workers' pensions. The unions are collaborating with Sarkozy in private meetings and more publicly in a press campaign designed to lull the public into accepting these measures.

Their first goal is to eliminate separate, "special regime" pensions given to certain public sector workers—e.g., in the railways, utilities, mines, the central bank and performing arts. Railway, electricity and gas workers account for 370,000 of the 500,000 workers who now have special regime pensions. These pensions typically offer better pay after shorter working periods (37.5 versus 41 years) than the general state workers' pension fund.

On September 9, Prime Minister François Fillon said, "This reform is ready and easy to do: one only has to bring the special regimes into line with the public sector pensions." He added that this could be carried out in "coming months" either by passing a law or by a simple decree. He said his cabinet was waiting for a "signal" from Sarkozy to start the cuts.

The unions quickly denounced Fillon's comments—not on the basis of opposition to attacks on workers' living standards, but rather pointing out that a unilateral government decree risked sparking resistance on the part of the workers. Attempts to cut the railway workers' pensions in 1995 led to a weeks-long strike, which shut down large portions of the country and was a major political crisis for the right-wing government of Alain Juppé. Pension reform caused another massive strike wave in France in 2003.

CFDT (French Democratic Labor Confederation) chief François Chérèque said: "We cannot accept such a reform without dialog and consultation" between government and the unions. Bernard Thibault, head of the Stalinist-led CGT (General Confederation of Labor), said that there would be "sport" if the government "proceeds by presenting us with a fait accompli." He called for "real negotiations" between the government and the unions.

Sarkozy quickly responded. In interviews with *Le Parisien*, anonymous press officials at the Elysée Presidential Palace criticized Fillon's comments as "hasty" and "clumsy." At a livestock breeders' conference in Rennes on September 11, Sarkozy suddenly cancelled a planned speech on public service to discuss the issue of pensions. He lectured Fillon: "A little bit of method does not hurt in trying to solve problems."

Sarkozy adamantly maintained his determination to cut pensions, however. He attacked the special regimes as "unworthy" and implied that their recipients are getting a free ride: "There exist special regimes that do not correspond to difficult jobs and difficult jobs that do not correspond to special regimes for pensions." He noted that farmers' pensions, at €400 monthly, are completely inadequate and, attempting to pit the farmers against the public sector workers, denounced the situation as untenable.

The same day, the right-wing daily *Le Figaro* ran an editorial by its deputy director on finance and the economy, Gaëtan de Capèle. In the editorial, titled "Hold out on the special regimes," de Capèle demagogically branded the special regimes an "untenable and

unjustifiable" concessions to "privileged" workers.

A few figures deflate this pseudo-egalitarian demagoguery. According to the French Institute for Research on Public Administration, the average monthly pension for a railway worker is €1,620—€155 more than the average private sector monthly pension of €1,465. While railing against this modest sum, de Capèle did not say whether the bloated fortunes of the ultra-rich—e.g., Liliane Bettencourt (€15.26 billion), Bernard Arnault (€14.41 billion), or Serge Dassault (€10 billion)—are also "untenable and unjustifiable."

He did, however, spell out the anti-social motivations for the attack on the special regimes: "Can anyone imagine that the great 2008 discussion [on pensions], which will limit access to pension rights for all Frenchmen, could start without having first dealt with the special regimes?" He concluded by saying this "indispensable reform" engaged the government's "very credibility," calling for "method" in "selling the reform" to the public.

The French ruling class insists with desperation on these reactionary reforms because it keenly feels its loss of competitiveness in key sectors of the global economy. These issues are discussed at length by the government's Council of Economic Analysis (CAE) in an August 30 pamphlet, *Globalization: France's Strengths*.

The pamphlet pointed out French businesses' limited use of the world division of labor: "An important factor in modern business competitiveness, documented in many studies, is the segmentation of the value chain, i.e., importing intermediate goods that permit the optimization of production costs. Germany, Japan, and the US are far more advanced than France in this process, using far more suppliers from developing countries."

As France's competitors use cheaper supplies from the world market, many French industries have begun to lose world market share. In older industries where the state has helped consolidate large corporations—aeronautics and defense, energy, transportation, telecoms and auto—French industry is still competitive. However, in newer industries—such as electronic goods and software design—market share has shrunk (down 14 percent and 12 percent, respectively).

In pharmaceuticals, a sector in which French industry still has large production lines, there is an increasing trend of production only being sited in France, with research and development increasingly taking place in the US or the UK.

As a result, French capitalism faces a deteriorating balance of payments, and fears new competition from cheap-labor Asian producers, as they master the medium-technology industries in which French capitalism is most competitive. Pointing out that two-thirds of French high-tech exports are in the aeronautics and defense sectors alone, the report called for France to "situate itself higher up on the technology ladder" as a "barrier against competition from cheap-labor countries."

Calls to expand French industry into biotech and software on a capitalist basis stumble on the fact that investment in these fields is more profitable

in countries like the US and UK, where state regulation is less of a barrier to the exploitation of the working class. The CAE lists many problems: high taxes on the wealthy; the low prices French Social Security pays for drugs, and pharmaceutical companies' resulting low-profit margins in France; the smaller number of wealthy "angel investors" willing to fund software start-up companies.

Implicit in the CAE's analyses, which are reportedly widely read in the government, is a call for a fundamental reshaping of French society. The goals of a politician acting on these perspectives would be to form large French corporations capable of exploiting the opportunities of the world market, while letting less efficient, locally-based suppliers fail; to remove all barriers on the accumulation of private wealth; and to favor the founding and consolidation of new industries by lowering business taxes, social spending, price ceilings, and all other forms of social protection for the masses.

There is every sign that Sarkozy is acting on this program. The first months of his term have seen plans for two mega-mergers—the Suez-Gaz de France electricity-natural gas merger, and now between nuclear energy giant Areva and engineering and transport firm Alstom. Sarkozy has reduced the tax rate on top income brackets from 60 to 50 percent. The call for ending the special regimes pensions is clearly only the first step in a plan to gut workers' pension rights. Planned reforms of French universities are also designed to bring them in line with US-style research collaboration with the private sector.

The French elite's response to globalization includes an ever more demoralized and violent view of foreign policy. In an editorial, "The new petrochemical Yalta," *Le Figaro* deplored the fact that oil-rich Third World countries "are determined to drive hard bargains in exchange for access to their oil." Drawing a comparison to the Yalta accords, which produced a global military stand-off between the capitalist world and the USSR after World War II, *Le Figaro's* Stephane Marchand claimed that the oil industry's "balance of forces promise to be increasingly unfavorable" to "industrialized democracies like France."

This editorial comes as Sarkozy steers decisively towards an accommodation with US war plans in the Middle East. French Foreign Minister Bernard Kouchner recently traveled to Baghdad to visit pro-US politicians, including Jalal Talabani, in the aftermath of deals between French oil firm Total and US oil major Chevron to carve up the Majnoon oilfield in Iraq. After calling for Europe to build itself up as a global pole of military power, Sarkozy said the world has to choose between "an Iranian bomb and the bombardment of Iran" if his favored policy—sanctions against Tehran—failed.

In Sarkozy's government, workers face a qualitatively different type of regime than its predecessor, the various cabinets under former President Jacques Chirac.

Sarkozy is trying to carry out the basic program of French bourgeois reaction—social cuts and military aggression—under increasingly unstable conditions. Massive strikes and protests in 2003 and 2006 against pension cuts and labor law reforms inside France, and the rejection by French and Dutch voters in 2005 of the European draft constitution, have left the European bourgeoisie in something of a quandary. Sarkozy must also deal with the explosive consequences worldwide of the US debacle in Iraq.

If Sarkozy has been able to carry on despite the objectively weaker position of the French bourgeoisie, it has been largely thanks to the political assistance of the union bureaucracy. Their ostentatious negotiations with Sarkozy allow the bourgeois media to entertain certain confused notions that Sarkozy's reactionary cuts are somehow in the best interests of the French nation as a whole.

As was publicly if discreetly acknowledged in the lead-up to the announcement of the non-replacement of 22,800 public sector jobs, Sarkozy meets regularly with leaders of the major trade union confederations—including, amongst others, François Chérèque of the

CFDT, Jean-Claude Mailly of Force Ouvrière (FO—Workers' Power) and Bernard Thibault (CGT).

The trade unions have collaborated closely with Sarkozy since the 2006 demonstrations against the First Job Contract (CPE). At that point Sarkozy, as interior minister, publicly criticized then-prime minister Dominique de Villepin's CPE plans and, acting in concert with the trade unions, succeeded in ending the demonstrations and forcing Villepin to withdraw the CPE legislation.

Now the unions are openly campaigning for the cutting of the special regime pensions. Chérèque said the CFDT is favorable to negotiations on the subject because "if they are not made to evolve, they will go bankrupt and people's pensions will not be paid." This simply ignores the fact that if the special regimes go bankrupt, it will be because Sarkozy and his government will have refused to pay them.

The attitude of the CGT towards the special regime pensions was shown by their recent collaboration with the spin-off of the French public railway (SNCF) workers' pension plan, the CPR (Caisse de Retraite et de Prévoyance), in April 2007. Many workers were opposed, noting that management refused to publish a definitive text of the agreement and that a spin-off would weaken the solidarity of employees and retirees. The CGT pressured them to accept the agreement; CGT Railway Secretary Didier Le Reste claimed, "We are thus escaping from having our pensions reduced to the general public sector workers fund." Of course, Le Reste's overly optimistic judgment has now been overtaken by events.

Several union members who continued to oppose the CPR spin-off were told not to participate in demonstrations, pressured to quit the CGT, and ultimately expelled from the union. One of them allegedly was threatened with violence if he did not leave the CGT.

The preferred policy of the union tops was articulated by Jean-Christophe Le Duigou, chief of the pensions portfolio of the CGT, in an interview with the center-left daily *Le Monde*: "The CGT is willing to discuss the special regimes, but 'one enterprise at a time, one industry at a time.'" In short, the goal is to prevent the collective mobilization of the workers against the cuts by presenting each workplace and industry with a separate accord negotiated between management and the union leaders.

The unions' collaboration with Sarkozy—whose right-wing plans, law-and-order demagoguery, and flirtation with the far right are obvious to any serious political observer—marks a major shift towards a politically criminal, pro-state corporatism.

The French ruling elite will not be able to forever stave off a confrontation with the working class, which has repeatedly mobilized itself to fight similar reactionary cuts in 1995, 2003 and 2006. The arrival in power of Sarkozy and the degeneration of the trade union bureaucracy must, however, lead to a shift in the political axis of working class opposition to their policies.

In an era when French politics is determined by global economic forces and faces the terrible prospects of militarism and war, relying on the unions to lead struggles to protect living standards through accords with the state is futile and dangerous. Faced with an explosive military situation and the increasingly hopeless prospect of competing with high-tech, cheap-labor producers in the developing world, the French elite will be more and more unwilling to make concessions to workers. The unions' endless consultations with Sarkozy show that they agree with the basic lines of this policy.

The issues of living standards, jobs and international politics may have been somewhat separate in the minds of many people striking or protesting against Chirac's ministers in 2003 and 2006. Today, the struggle against the Sarkozy government integrates these issues into one whole. To the reorganization of the French economy based on the world market and the elimination of unprofitable operations and ensuing mass redundancies, and to the international scramble for cheap oil and the US-led pillage of the Middle East, workers must counterpose the international

planned economy and the international solidarity of the working class.



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