The wages of betrayal

France: Top union pension negotiator gets lucrative promotion

Kumaran Ira, Alex Lantier
10 January 2008

Jean-Christophe Le Duigou, the CGT (Confédération général du travail—General Confederation of Labour) secretary in charge of pension and specialist in economic issues, aged 59, will shortly return to the Ministry of Finance to enjoy a large raise and a comfortable pension.

This news has particularly shocked and outraged workers because Le Duigou recently oversaw pension negotiations with the state, imposing massive cuts on public sector workers with "special regime" pensions. He has also given equivocal public support to a plan to eliminate the 35-hour workweek, allowing employers to push the workweek legally to as much as 48 hours.

According to revelations in the centre-left daily *Le Monde* and the magazine *L'Express*, Le Duigou will return to his former post as a high-ranking tax official. He will also receive a salary as director of mortgage records. For these posts, his net income will be €9,000 monthly—"one of the best paid at [the Finance Ministry at] Bercy," *Le Monde* commented.

Interviewed by *L'Express*, Le Duigou said, "For 37 years I've been a tax official and a trade union official." He explained, "Agreements worked out in the public service at the start of the 1980s allow management to place workers at the disposal of the trade unions, in such a way as to neither advantage or disadvantage them. This is exactly my case—I've been at the same rank for 15 years."

To add insult to injury, Le Duigou will retire just before the pension law changes he helped negotiate increase the pay-in peri od required to receive a full pension past the current 40 years. As he told *Le Monde*, "I will then have the 40-year pay-in period, which will allow me to enjoy a full pension." The pension will be calculated on the last six months of his salary.

Le Duigou is an exemplar of an entire layer of top trade union bureaucrats who have led lives seamlessly integrated into the top echelons of the French state. According to the financial daily *Les Echos*, "Jean-Christophe is considered the number two man at the [CGT] federation. He's the accredited ambassador with public officials, bosses, even the media. Member of the union bureau, the leading organ of the CGT." He has sat on a wide variety of public councils, including the Economic and Social Council and the Council on Pension Orientations.

His agreement with the government's programme of social cuts was shown by his rec ent analysis of the workweek reform. He did not oppose it, but criticised the government's introduction of it as rash, as it could provoke the working class to action: "We need time for social negotiations, so that people can make these reforms their own. Otherwise, there will be a reaction like, 'Oh, they're trying to push these things on us from above' and this president's great strength, his political voluntarism, could turn against him. We would then be going towards some form of social confrontation."

Le Duigou is part of a whole community of top CGT officials who have become accredited members of think tanks and social institutions of the French state, working in close collaboration with top officials. For instance, in 2006, CGT-Textile leader Christian Larose participated in the formulation of the report by former International Monetary Fund (IMF) director Michel Camdessus, which was used by the gove rnment to prepare the First Job Contract (CPE) legislation.

As the revelations on Le Duigou were surfacing, the CGT published its official 2006 accounts, underlining its links with the French state and para-state bureaucracy. This was a first for the CGT, which, under the 1884 Waldeck-Rousseau law governing trade union financing, has no obligation to publish its accounts. According to the CGT, out of a total 2006 budget of €111 million, more than €25 million came from state and social security funds.

These figures must be viewed with considerable caution, as much evidence suggests that they are massive underestimates. According to a 2006 government report by state councillor Raphaël Hadas-Lebel, compiled with the participation of the main trade unions, the CGT's 2003 budget was approximately €220 million, of which only €75 million (34 percent) came from dues. The report estimated the proportion of wor kers' contributions to the budgets of the other main trade union federations—CFDT, FO, CFTC, and CGC—at 57, 50, 20, and 40 percent, respectively. Some academic estimates place these percentages even lower.

The CGT apparently did not feel the need to reconcile its claims of a 2006 budget of €111 million with Hadas-Lebel's estimates. However, as the CGT itself admitted, the publication of these figures is primarily an attempt to squelch growing public suspicion that it is directly funded by various illicit or quasi-licit funds.

This was highlighted during the October 2007 Gauter-Sauvagnac scandal, when it was revealed that the Union of Industries and Crafts of Metallurgy (UIMM, a major constituent of the French employers' federation, the Medef) oversaw a vast network of secret funds. UIMM officials suggested that they were being used to pay off the trade unions, though criminal investigations into the Medef were promptly squelched by the government.

In publishing its figures, the CGT writes: "The UIMM's secret funds scandal was even used as a pretext to call for clarifying the financing of trade union organisations, which takes the cake.... There is nothing to hide and the CGT has decided to publish its resources." The CGT did not explain why it waited three months to publish its 2006 budget, or say when—or whether—a 2007 budget would be made available.

By the CGT's own accounting, it receives €10.4 million in direct state subsidies, €9.9 million for overseeing social security and insurance projects, €4.9 million for participation in works councils, €2.5 million for participation in the Economic and Social Council, and €3.8 million for advertising in its leaflets and publications.

Whatever the reliability of these figures, the CGT is itself admitting the massive support it receives from the French state. This support is not incidental, but rooted in deep historical processes, especially—as the CGT's books show—the enterprise-level and state-level institutions created at the time of the Liberation of France from the Nazi Germany, at the end of the Second World War. At that time, state authority collapsed in large parts of the country. Insurrections freed French cities from Nazi rule in advance of Allied armies, amid large-scale spontaneous organisation of workers' committees in factories—especially those whose owners had openly collaborated with the Nazis.

At the time, the Stalinist French Communist Party (PCF) politically disarmed the workers. In accord with the Kremlin's policy of dividing the world into capitalist and Soviet blocs, they presented the slogan "Produce!" to the workers, encouraging them to return to work and leave politics to PCF officials and the bourgeoisie.

The toleration of social institutions by the French bourgeoisie, politically led by General Charles de Gaulle, was not an act of charity or compassion. It aimed to stabilise French capitalism—torn by the immense black-market profiteering that took place under Nazi rule, the low living standards of the masses, and the strain on a devastated infrastructure of supplying huge Allied armies—and provide it with a basis upon which to plan an economic revival. The ultimate goal was to avert the threat of a socialist revolution, which would have based itself on the factory committees and armed resistance groups.

The government legislated the formation of Social Security in 1945, centralising a wide variety of self-help and insurance schemes that had grown up in individual industries during the Great Depression and the Nazi Occupation. These are funded by taxes collected by the state, but continue to be overseen by trade union and management officials, the so-called "social partners." Union officials are paid to participate in these organisations.

The works councils were legally created in February 1945, as a replacement for workers' committees that had sprung up in factories in many regions of France. They represented, in fact, a significant retreat for workers, as they had purely advisory powers, as opposed to executive authority.

The Economic and Social Council was created by the 1946 Constitution of the Fourth Republic, to study and oversee the management of Social Security institutions. It was first presided over by Léon Jouhaux, a former CGT official who had helped found the Force Ouvrière (FO) trade union, a CGT split-off partially funded by the US government.

A lot of water has flowed under the bridge since then, however; the CGT's repeated betrayals of the struggles of the working class have seen its membership fall from 4 million at the Liberation to 560,000 today. These institutions now play an essential role in its finances, helping it to overcome the collapse of its dues base.

The basic laws of Marxism, such as the ultimate impossibility of defending workers' living standards on the basis of collaboration with the bourgeoisie, are again asserting themselves—in the political programme of President Nicolas Sarkozy, backed by the entire French bourgeoisie. In such a situation, the aims and attitudes of the top trade union officials could not be more clearly illustrated than by the payoff received by Le Duigou.