French government prepares new pension cuts

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On April 12, French Labor Minister Eric Woerth met with the trade unions and employers' federations to map out further pension cuts. Proposed changes include lengthening the pay-in period beyond 41 years—currently the limit for workers retiring after 2012—and increasing the retirement age beyond 60, possibly to 65. The government has also announced that further consultation with the unions and employers will take place on April 22. It reportedly expects to implement the "reform" before the end of 2010.

The current pension "reform" is part of a broad attack on the working class to satisfy financial markets—similar to measures carried out by governments across Europe, including Greece, Ireland, Spain and Portugal, in the wake of the Greek debt crisis. After the outbreak of the world economic crisis in 2008, and France's bank bailout, the French budget deficit has soared, reaching 8.2 percent of Gross Domestic Product this year.

The French government submitted its stability programme for the period 2010-2013 to the European Commission in early February. It foresees a reduction in the public deficit from 8.2 percent to 3 percent of GDP by 2013, entailing a cut in government spending on the order of €100 billion ($US 135 billion). The programme includes reductions in education and health care spending, pensions, unemployment benefits, and public sector employment.

On April 14, the government-appointed Pensions Advisory Council (*Conseil d'orientation des retraites*, COR) released a report calling for cuts in the face of the soaring public deficit. The report outlined a number of possible future scenarios, claiming the pension deficit would range between €72 and €115 billion by 2050. According to *Le Monde*, the pension deficit this year is expected to reach €30 billion.

The government is attempting to use the COR report to scare workers into accepting the planned pension reform, although a clear majority of the population opposes the measures. According to a Harris Interactive poll for RTL, while 80 percent of the population thinks reform is needed, 56 percent reject lengthening the pay-in period and 60 percent oppose an increase in the retirement age.

President Nicolas Sarkozy, whose popularity is plummeting, is proposing these measures as his ruling UMP (*Union pour un Mouvement Populaire*—Union for a Popular Movement) faces broad opposition to the effects of the economic crisis and its austerity measures. An April 16 poll indicates that 65 percent of the population does not want Sarkozy to run for a second term in the 2012 presidential election. Overwhelming opposition to his policies expressed itself in the severe defeat for the UMP in the March regional election, in which the Socialist Party (*Parti Socialiste*, PS) won in 21 of France's 22 regions.

Under these circumstances, the French trade unions' pose of opposition to Sarkozy is critical to disorienting the working class and preventing it from mounting independent political struggle against the cuts. At the same time, the unions work closely with the government to negotiate and impose the cuts.

After the April 12 meeting, the trade unions criticized the pension cuts, which they themselves are preparing in negotiations with the government. Bernard Thibault, the leader of the CGT (*Confédération Générale du Travail*—General Confederation of Labour, close to the Communist Party), criticized the government for "refusing to create the conditions for a real debate on the future of pensions in our country." He called on workers to march in May Day demonstrations to protest the reform.

In fact, the trade unions played a key role in drafting not only the pension cuts, but also the COR report. As French Prime Minister François Fillon noted after the release of that report, "this document was prepared by men and women of every political and trade-union sensibility."

The COR was setup by then Socialist Party prime minister Lionel Jospin in 2000. The COR's Panel—its leading body—includes representatives of the major unions—CGT, CFDT (French Democratic Confederation of Labour, close to the Socialist Party), FSU (Federation of Unitary Unions) and FO (Workers Power)—and employers, parliamentarians, top civil servants, and assorted experts.

It should be noted that Jean-Christophe Le Duigou, a leading CGT official and its former secretary in charge of pensions, is a member of COR's Panel. He played a decisive role in imposing massive cuts on public sector "special regime" pensions in 2007, when the government increased the pay-in period for public sector workers in strategic sectors such as transport and energy to 41 years.

At the same time, the trade unions' pose of opposition helps boost the bourgeois "left" opposition of the PS—whose program is not substantially different from Sarkozy's—as a contender to replace the current president.

Along these lines, on April 14, Socialist Party first secretary Martine Aubry wrote a column in the *Le Monde* headlined "Beyond the reform of pensions, we must win the revolution of aging." In January, she declared her support for cutting pensions and increasing the retirement age by two years. As she tries to position the PS for a return to power, Aubry now advocates keeping the legal retirement age at 60, in an attempt to present the PS as the defenders of the people's interests.

Aubry echoes CGT leader Thibault's insistence that Sarkozy negotiate the cuts with the unions: "The government is trying to whip up an emergency atmosphere where it can impose its unilateral decisions, but, as the trade unions have requested, one should take the time for real negotiations to find the path to a just reform which is viable in the long term."

In contrast to the government's measures, she proposes some alternative measures to make up the pension deficit, such as an increase on corporate taxes and a tax on stock-options.

Aubry's proposal is fraudulent; it is hardly a secret that the PS is a stalwart defender of the interests of French capitalism. One should recall that soon after taking power in 1981, Socialist Party president François Mitterrand abandoned his nationalization program and imposed painful austerity measures that devastated France's traditional manufacturing industries. Under the Plural Left (PS, French Communist Party, and Green) government (1997-2002), led by Jospin, the Socialist Party presided over the privatisation of numerous state industries.

More broadly, the role of the various social-democratic governments in Europe is not substantially different than that played by right-wing conservative governments in implementing savage cuts on the working class.

The most relevant example is George Papandreou's PASOK government in Greece, elected last October. Papandreou won the vote with false promises that he would promote a bailout package and improve workers' living standards. Upon taking power, he slashed social spending, cut public-sector wages, and increased the retirement age by two years.