

# French parliamentary commission approves pension cuts

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On July 22, after three days of closed-door debates, the French parliamentary social affairs committee—comprised of members from all parties—approved unpopular planned pension cuts. They will go to a vote in the National Assembly in early September.

The close-door session took place in the midst of a scandal involving France's richest woman, Liliane Bettencourt. While preparing massive social cuts against the workers, President Nicolas Sarkozy and Labour Minister Eric Woerth were allegedly obtaining illegal campaign funding from Bettencourt and arranging gigantic tax refunds for her.

The parliamentary session began with a presentation of the bill by Eric Woerth, who declared that he was capable of carrying the reform through the parliamentary debate process despite the scandal. He ruled out any changes to the key measures of the reform. The reform raises the retirement age from 60 to 62 by 2018, increases the pay-in period from 40 to 41.5 years, and raises civil servants' pension contributions to the level of those required in the private sector. Some 400 amendments were submitted to the social affairs committee, of which 90 percent were not adopted.

The government said the measure concerning workers in arduous work, who can retire at 60, would be examined in September after consultation with unions and employers. In order to benefit from it, according to the bill, a worker must prove he has "a rate of incapacitation equal to or larger than 20 percent, having given rise to a payment for work-related injury or accidents, which will be evaluated by a medical visit."

Medical experts are already criticizing these

proposals. *Le Monde* cited a comment by François Guillon, a professor of medicine and labour health at Bobigny, who said that this rate "has no medical, social, or professional pertinence."

He suggested that the government's reform threatened to largely eliminate early retirement due to disability, commenting, "For muscular-skeletal problems, the most frequent professional ailments, average permanent incapacitation goes above 15 percent only among 1 percent of patients. For work accidents, the highest average incapacitation is in the construction industry and only reaches 12 percent."

The pension cut is part of a raft of government austerity measures designed to slash public spending by €100 billion to bring France's public deficit down to the European limit of 3 percent from 8 percent by 2013. Combined with other planned pension cuts, the government noted that raising the retirement age will allow them to save €19 billion by 2018.

While preparing massive social austerity policies to dismantle the living standards of the working class, the political establishment continuously defends the financial aristocracy, who are benefiting massively from the government's tax concessions to their wealth.

In the recent France 2 TV interview, President Sarkozy defended his tax policy for the wealthy by asserting that the "tax shield" is necessary to preserve super-rich wealth in France. The tax shield is a tax concession for high-income earners. According to the weekly satirical *Le Canard Enchaîné*, Bettencourt received about €100 million in tax refunds under the tax shield over four years.

According to an April report in *Le Figaro*, "The 4,521 households with a net worth of over €7.3 million

and yearly revenues of over €43,761 received 90.4 percent of the funds reimbursed by the state under the tax shield provisions. These sums amounted to €585.6 million in 2009. These wealthy taxpayers received on average a check for €117,142.”

Under these conditions, the closed-door debates at the National Assembly are an unstated admission by the French political elite of its contempt for the working population, and the breakdown of democracy. A recent BVA poll found 56 percent of the population hostile to the pension reforms, and 67 percent opposed to the government’s economic policy. The response of the National Assembly is to hide behind closed doors and ram through bitterly anti-working class policies in the face of mass opposition.

The anti-democratic character of the procedure attracted commentary even from within the political establishment. Despite fully supporting the pension reform, deputy Lionel Tardy of the ruling conservative UMP (Union for a Popular Movement) said the closed-door debate was outrageous.

He said, “Imagine, to push the reasoning to the extreme, that commission members decide, all of a sudden, to increase the legal retirement age from 62 to 63 years. Well, this decision would be taken suddenly on the sly. And with the new rules, it would not even be re-examined in the full assembly.”

This situation is only possible because the working class is politically strangled by the trade unions and the unions’ defenders amongst the petty-bourgeois ex-left, such as the *Nouveau Parti Anticapitaliste* (NPA).

The unions are well aware that social opposition to the government’s austerity policies are growing and must be stifled if the financial aristocracy is to avoid a political explosion. While occasionally making empty criticisms, the unions have negotiated with the government to impose the cuts, as they have done during previous pension “reforms.” Notably, these included the gutting of rail workers’ pensions and the end of the 35-hour workweek in 2008, which the CGT was instrumental in negotiating and passing.

On July 11, CGT (General Confederation of Labour) leader Bernard Thibault gave an interview to the online publication *Mediapart*, saying, “The executive will

have to move on the pensions, or we will have a major social crisis during the autumn.”

Coming from Thibault, this warning has the character not of an attempt to rally working class opposition to an unpopular and discredited government, but of advice given to Sarkozy on how to prevent workers from getting out of the political establishment’s control.

Since the Bettencourt-Woerth scandal broke out, Sarkozy’s ruling party has faced an acute crisis. As Sarkozy explained in his recent television interview, however, the government has great confidence it will be able to carry out its cuts, as the trade unions have “responsible,” that is pro-government, policies. The unions, the *Parti Socialiste* (PS) and pseudo-left organisations like the NPA are helping the government to stifle working class opposition to social austerity measures.

When asked whether the CGT is benefiting from current political crisis, Thibault responded, “We are not profiting from it at all.”

Thibault does not welcome, but rather dreads, the exposure of the class character of the Sarkozy regime and of French bourgeois “democracy.” This is because the CGT and other forces that currently control anti-austerity protests oppose the mobilization of the working class in a political struggle against the government and its cuts.

In fact, the French ruling elite rely on the trade unions’ assistance to disorient the working class, providing a semblance of opposition by calling impotent one-day strikes while on the other hand helping the government to push through its cuts.

Having called one-day protests on May 27 and June 24, the unions have called for yet another one-day protest on September 7, when the bill will be examined in parliament. As during the imposition of previous austerity measures, such actions will do nothing to dissuade the government from carrying out savage cuts.



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