

FIGHTING THE PENSIONS “REFORM” MEANS RAMPING UP THE STRUGGLE FOR HIGHER WAGES EVERYWHERE

The state attacks deferred wages again

The French government presents its umpteenth “reform” of the pension system: retirement at 63 in 2027 and 64 in 2030; an increase to 43 years of contributions for full retirement and the abolition of special pension regimes (except for those of the police and the army, and some marginal cases). The government thinks it can make the medicine go down by promising a minimum gross pension of €1,200 (i.e. 85% of the SMIC minimum wage) for those who have reached the legal retirement age and have completed the required number of years of service, taking into account difficulty (but all jobs are difficult!) and a “better” mechanism for revaluing pensions indexed to the SMIC (whose future level it alone decides). As for the fund for professionals and managers (AGIRC ARRCO), it won't merge with UNEDIC¹. As with all the previous “reforms” (since that of Balladur in 1993), it is a matter of “work longer for a lower pension”.

Why this new attack?

Why make the “old” work? While the employability of “seniors” has been steadily increasing for the last 20 years, from the age of 60 onwards it collapses. And this is because from the age of 50 onwards an assembly line worker is broken and unemployable, and because employees over 60 are “too expensive” (they belong to the last age groups to have seen their wages increase with seniority) and less productive than young people. The bosses don't want them anymore and no government measure will change their minds.

To ensure that pension funds are in balance? As in 2019, the *Conseil d'orientation des retraites* (COR, a government organ where the bosses and unions sit together in the best traditions of class collaboration) foresees in its report, for September 2022, that the majority of funds will still be in surplus for many years (stable expenses and slightly lower revenues). The “reform” is not, therefore, linked to deficits in pension funds.

The reason for this new attack can be found in the need for the government to signal fiscal austerity to the investors in the French public debt. The state no longer wants to finance pension funds at a time when public debt is no longer being bought *en masse* by the European Central Bank (ECB), as it was during the pandemic, when galloping inflation pushes up interest rates, and military spending is soaring because of geopolitical tensions. The share of CNAV [national pension fund] funding provided by social contributions (employers and employees) has fallen from 83% in 2003 to 64.5% today, so that the share of CNAV funding provided by taxes is now 11.4%, with 12.4% from the Old Age Solidarity Fund. Not to mention that the state takes 8.5% of the funding from the CNAV, the National Fund for Family Benefits (CNAF) and Unédic (unemployment insurance).

This “reform” aims at reinforcing the borrowing capacity of the state by giving investors the promise of well-managed public finances. In theory, the state could have increased employer contributions at a time when companies are making a lot of money. But the State is precisely the organ for managing the affairs of capital, so the government refuses to increase the employers' contributions. So, it is the employees who pay! And only them. Logical to capital, but not to us. Once again, our interests are opposed to those of the bosses and their state.

The pension is part of the wage

The pension is not just a delayed wage. The pension is nothing more than a wage whose payment is postponed until the legal exit from the labour market. The wage is the sum of money indispensable to the reproduction of the labour power of each worker. This amount is continuously renegotiated on the basis, notably, of the balance of forces between the workers and the bosses (backed up by their state). The contract is the formalisation of this balance of forces. Among the elements of the contract is one essential to preserve the continuity of the relation of exploitation, the guarantee of income in old age. This is why this theme has been, for a very long time, one of the big issues in the class struggle. This is why the question of retirement must be understood as a question of wages and treated as such.

No matter what the unions and the left of the state say, the vast majority of workers want to get out of work as quickly as possible and under the best possible conditions, because wage labour is something imposed on them in a society dominated by capital. Everyone knows that the years of work mean suffering, submission to bosses and exploitation. And that unemployment is the condemnation inflicted by the system on those of us who do not toe the line or who are not “productive” enough. Unemployment and work are the daily life of the oppressed. But the pandemic, when the social order was undermined for a time, showed many of us how harmful exploitation is.

¹ The institution that pays unemployment benefits.

The ranks of those who refuse to go back to work are increasing everywhere in the advanced countries of capital, as the mass resignations in hospitals prove. Unfortunately, this refusal of work is still expressed by individual escape strategies, which are doomed to fail for the majority. This is why the government wanted to “reform” unemployment insurance, with the clearly stated objective of further tightening conditions of access to benefits, while at the same time shortening the period of entitlement, to almost total silence from the state unions.

What is to be done?

Overturn the logic of “parity”

If the pension is the wage, it is the boss who should pay all of it. The pension should also correspond to the best wage earned over the whole period worked. And if the pension is the wage, its calculation must include bonuses (which today represent 10 to 15% of the average wage). The bosses must also finance the health contributions of pensioners, whose cost never stops rising. Finally, increases in pensions must match those of wages.

Don't believe that the matter will be sorted out in parliament

The parties of the left of capital, along with the RN [National Rally], say they want to block the road to “reform” by tabling thousands of amendments, conveniently forgetting that the executive has legal instruments to overcome their theatrical opposition.

Don't delegate the struggle to the state unions

Thanks to the system of so-called parity, the unions, all the unions (including those of the bosses), directly manage the pension funds. Their primary interest, whether they call themselves “reformists” or “anti-establishment” doesn't matter much, is to preserve this system. Despite their proclaimed opposition, they sit at the high table of the Funds next to representatives of the government and have no intention of renouncing their prerogatives. They will not therefore fight to the end and their proclaimed broad unity will shatter if the workers take the struggle into their own hands.

Let's not forget the weaknesses of past movements

For 30 years, all governments, Right and Left, have attacked pensions. Controlled by the state unions, the movements opposing these attacks have failed. All of them except those against the abolition of the specific pension regimes for employees of SNCF [the national railway] and RATP [public transport in Paris], in November-December 1995, decided by the Juppé government. Yet this massive movement on the SNCF and RATP did not spread across the private sector, limiting itself to engaging with the fight of minorities of workers in the Post Office and EDF-GDF. The harmful idea that we won by getting other workers to strike for us, and huge demonstrations, caught on. So much so that in 2019, CGT and SUD thought they could play the same tune again with the strikes of refinery and energy workers, which unfortunately ended in failure. And today the CGT is doing it again...

The only struggle which pays is at the point of production

The struggle against the one “reform” of the pensions runs a strong risk of not working. Especially if it is limited to a succession of big “citizen” demonstrations on weekends, and petitions that do not change by one iota the real balance of power between workers and the ruling classes. Workers who are the furthest away from retirement are preoccupied mostly with wages that are no longer enough, rising property prices, bosses that are a pain in the arse, accelerating pace of work, worsening transportation problems and the threat of unemployment that is increasingly poorly compensated, to name only the most pressing problems. They might therefore think that the pension “reform” concerns the oldest among them first of all. The call for inter-generational solidarity, which the state unions boast about, is not enough to change this. On the other hand, if the attack on pensions were to serve as a trigger for battles on all fronts, from wages, to the pace of work, to the command of the bosses, to unemployment benefits, to transport, to housing, the conditions for defeating the government and the bosses could be met. If it is going to be possible, this fight must be carried out above all where everything is decided, in the workplaces, in the Job Centres, in the temporary work agencies and in working class neighbourhoods.

The pension is the wage. Thus it is necessary to fight for wages now and everywhere, following the few examples of workplaces on strike since the winter break, such as the strikers of TICE².

FOR THE RETURN OF WORKERS INITIATIVE

Paris, 17 January 2023

² Public transport company in the Évry-Courcouronnes conurbation (in Paris area), whose employees have been striking for higher pay since 3 January.