SNCF: A BALANCE SHEET OF THE DEFEAT OF A CONSERVATIVE STRIKE

An assessment necessary for future struggles

On 19 September 2017 the French government called for an audit of the industrial situation of the SNCF (the French national rail company). The Spinetta report was presented on 15 February 2018. The objective of the government is to increase the efficiency of the SNCF and ensure its profitability. Clearly, they want to align its cost structure more with European standards, freeing up more profits, restructuring its serious debt and making the workforce more flexible within the company.

In reaction to this substantial attack by the bosses, the unions called for a series of strikes starting on 3 April 2018 which would last until 28 June of the same year.

Making a balance sheet of the strike on the SNCF implies understanding the company and its new productive organisation patiently put in place over 20 years. It was a reorganisation imposed to make us forget the memory of the strike of November-December 1995. The remodelling of the company broke the functional unity of the SNCF by breaking it into threes ÉPICs (Industrial and Commercial Public Establishments): a SNCF ÉPIC, which is in charge of the overall running of the group; an ÉPIC called SNCF Network, which manages, runs and develops the French rail network; an ÉPIC called SNCF Mobilities, for passenger and goods transport¹. This is without counting the growing use of subcontractors.

A summary of Macron's restructuring

The last "reform" completed the process of restructuration of the SNCF. According to the government, it's about:

- Opening up passenger rail transport to competition and internationalisation of the company. The opening of the French market thus allows the SNCF to cheaply reinforce its presence abroad in the name of an integrated European market. French freight was already formally open from 2003, in reality since 2006... but the SNCF still retains 75% of the various parts of this market;
- To get more contribution from regional administrations to finance secondary lines. SNCF wants to concentrate on the most profitable activities, disengage from the less profitable, or increase the sum of its public subsidies;
- To smother the special rail-workers' status more quickly by stopping hiring on its terms from 2020. This process, modelled on what was successfully done at France Télécom in the 1990s, has been underway for a few years because, just before the so-called "reform", 10% of the staff was deprived of the guarantees (50% for the Group employees, that is the head holding company of SNCF). SNCF wants to adapt the conditions of work of its employees with the aim of making them more productive of new value, of new capital. Adapting the workforce and the productive apparatus according to the needs of the market is therefore the central objective of the reform, to which is subordinated the maintenance or not of the status.

Édouard Philippe, the Prime Minister, stated on 26 February that "running a train costs 30% more in France than elsewhere". For the government, the status is an obstacle: "The mechanical rise in wages linked to the status makes our average annual total wage bill rise by 2.4% against 2% for other transport companies and 1.5% for big companies in general", said a senior manager in SNCF to La Croix (a Catholic newspaper), at the beginning of 2018².

¹ See <u>https://www.sncf.com/sncv1/fr/portrait-du-groupe/un-groupe-de-service</u>

² See: <u>https://www.la-croix.com/Economie/France/SNCF-dit-statut-cheminots-2018-02-27-1200916967</u>

Rail workers in decline since 2003

The successive reorganisations of production since 1995 have led to a noticeable modification of workers' behaviour because of a greater individualisation of their relation to work and the growing fragmentation of social relations in the company. These modified behaviours, often contradictory with regard to the company's control, are strongly unfavourable to participation in the strike.

At the end of a little more than 20 years, the management and successive governments have succeeded in effacing the remnants of the strike of November-December 1995 with the result that it remains as nothing more than an impalpable cult object. A patient work of restructuration of the productive apparatus, the modification of class composition, the arrival of new generations and the departure of old ones, and above all the successive defeats of 2003, 2010, 2014 and 2016, of which no serious assessment has been made by the rail workers themselves, none of this meant anything good for the strike against the reform of 2018^3 .

For the management, on the other hand, everything was well prepared. From the start the dates for putting in place the reform for 2021 (with effects intended from January 2019), meant that part of the staff with status would already be leaving for retirement and so less inclined to participate in the strike. Secondly, they had concocted their plan to minimise the effects of the strike. It was a plan which didn't just involve the replacement of striking drivers by members of the "FAC pool"⁴ or reserve managers, but also the massive mobilisation of red jackets⁵ for contact with the passengers.

More generally, the SNCF was capable of responding in a centralised way to local blockades by mobilising professionals and managers favourable to "reform". Let's not forget that if around 58% of the staff who took part in the trade union referendum on 14 May 2018 voted against the "reform", a large proportion of them did not go on strike⁶. In any case a vote can never replace the strength of a strike, and when the strike is weak, it only makes things worse.

What is the status?

It was created in April 1920, during the strikes of 1919-1920⁷, on the initiative of Albert Claveille⁸ to thank the rail workers for their contribution to the war effort. It extended to the private companies something which had existed for the state railways since August 1912. Replaced, with the creation of the SNCF in 1938, by a collective agreement, it would be reintroduced in 1950. Of the present 140,000 staff of the SNCF, 90% are covered by the status. Those who are taken on when they are younger than 30 are employed under the status while those who are older are recruited as contractors.

What is the status? Let's remember first of all that it's fixed by decree-law and can only be modified or abolished by a decree-law. This status, broadly speaking, gives the rail workers:

> A guarantee of a job for life (apart from resignation, retirement or dismissal);

³ For detailed accounts of the strike, see Working Document n°11(in French only) "*Chroniques d'une défaite : la grève SNCF* (*April-juin 2018*)" : <u>https://mouvement-</u>

 $[\]underline{communiste.com/documents/MC/WorkDocuments/Couv\%20DT11\%20\%20Chroniques\%20SNCF\%20FR_vF\%201er.pdf$

⁴ The optional pool, created in 2008, is composed of drivers given higher wages and additional bonuses when they replace, as required, other drivers, particularly when the latter are on strike. It operates on all the lines in the Île-de-France network.

 $^{^{5}}$ At the time of the strike, the red jackets were the employees of the SNCF subsidiary Itiremia (since, Itiremia has been sold to Samsic) whose staff can provide, in a busy period (holidays and strikes), more than 6,000 people in charge of informing passengers. In this case they served to counter the strike of the sales staff. They were also locally reinforced and led by non-striking managers.

⁶ And we can reasonably suppose that for the 39% of personnel who didn't put a ballot paper in the box it wasn't only a matter of rejecting the vote but, for a lot of them, of indifference, even, for some, of supporting the Rail Pact.

⁷ That of May 1920 ended in defeat and the sacking of 15,000 rail workers (out of 462,000 in February 1920).

⁸ Albert Claveille (1865-1921), bridges and roads engineer, Minister of Public Works and Transport (1917-1920).

- A career progression based on seniority guaranteed by a graduated scale (for deskbound executives: 15; for managerial desk jobs: 7; for deskbound professionals: 11; for drivers: 14);
- A minimum retirement age better than usual. But the number of years needed to get the full rate has been aligned to the private sector. A deskbound rail worker can retire between the ages of 55 and 57, and a member of a train crew between 50 and 52. By means of various "adjustments", from now until 2024, the legal age of retirement will be 57 for desk jobs and 52 for drivers;
- 28 days holiday per year and, for drivers and controllers, up to 22 days of time off in lieu if they exceed 7 hours work per day;
- A health scheme more generous than in the private sector. Funding in advance associated with the status allows them to benefit from free care from referred doctors without any payment in advance;
- The status also contains constraints of service and wages which make, for trade unionists, a balance between "the rights and the duties" of the rail workers' profession;
- Free (or very cheap) tickets for the rail workers and their families (10% of the ticket price for family members). This pricing policy costs the company around a hundred million euros a year according to the national audit office;
- Access to several tens of thousands of social housing places

"The status of the SNCF is particularly rigid. Yet, the world changes, the SNCF must change as well." Édouard Philippe, Prime Minister.⁹

"The status quo is not possible." Élisabeth Borne, Transport Minister.¹⁰

"*I will not be the Rail workers*' *CGT boss who buries the status*." Laurent Brun, General Secretary of the CGT Federation of rail workers.¹¹

"The status is not at all an obstacle to the economic conditions of the rail industry." Roger Dillenseger, General Secretary of UNSA Ferroviaire (the rail section of the UNSA confederation of "reformist" trade unions).¹²

A strike to defend... the SNCF company

Getting back to the strike, any assessment has to begin by recognising that, on the basis of its objectives, it was an outright defeat. Without understanding this, we're only preparing for future defeats. The strikers put the ferocious defence of the rail workers' status at the heart of their fight. They saw the Macron reform as the dismantling of the nationalised business and the pure and simple privatisation of French rail transport. Yet, the restructuring which is taking place does not imply the privatisation of SNCF and even less of French rail transport. Only the less profitable secondary rail lines are going to be susceptible to operation by private companies. The transfer of groups of workers from SNCF to these private companies does not call their status into question. On the other hand, what is going to change, and a lot, is the contractual relations with the new employers. These could in effect decide more freely the hours, tasks and, in the end, who gets to keep their job. Also, any refusal to transfer from the SNCF to another operator could lead to being made redundant.

⁹ 26 February 2018 (<u>https://www.francetvinfo.fr/economie/transports/sncf/reforme-de-la-sncf-le-statut-de-cheminot-ce-n-est-pas-le-probleme-numero-un-a-regler_2631544.html</u>).

¹⁰ 17 February 2018 (<u>https://www.lejdd.fr/politique/elisabeth-borne-sur-la-sncf-le-statu-quo-nest-pas-possible-3577457</u>).

¹¹ 16 February 2018 (http://www.leparisien.fr/economie/sncf-je-ne-serai-pas-le-patron-de-la-cgt-cheminots-qui-enterrera-le-statut-16-02-2018-7562463.php).

¹² 26 February 2018 (<u>http://www.europe1.fr/societe/reforme-de-la-sncf-le-premier-ministre-met-la-pression-sur-les-cheminots-et-cest-intolerable-3585134</u>).

Against these attacks, at no moment did the AGs (General Assemblies) put on the agenda another plan of battle for across the board wage increases, consolidation of bonuses into the basic wage, preservation of jobs (and the status) for all employees who don't accept transfer to a third-party, the extension of the status to all SNCF workers and more broadly to the 40,000/50,000 workers in subcontracted companies. A few rare voices were raised in the AGs to propose a different way forward but the united union federations turned a deaf ear. At no point did the strikers undertake real initiatives to enlarge the field of struggle by integrating the demands of the workers who were of lower status, less well paid, more precarious, inside and outside the SNCF. Everywhere, most of the strikers showed an allegiance to their company, limiting themselves to criticising the management and the government. Everywhere, they set themselves up as champions of the defence of SNCF against the "*Macronian liberal heist*". Company patriotism was expressed in all the AGs, put forward by enthusiastic trade union officials preoccupied with defending their prerogatives consecrated in law. In this context, trade union sabotage had an easy ride.

The unions, all of them, only had one aim: that of making use of the strike to demonstrate their usefulness, according to their usual style in the sharing out of the co-management of the SNCF. Their final goal was to negotiate a better position with the management and the government with regard to their representativeness, on the basis of the decrees of 2017^{13} , which was going to reduce the overall number of union delegates from 6,500 to 900 (elected or nominated)¹⁴. The union sabotage of the strike began even before the start of hostilities. It was an ideological sabotage which submitted the strike to the general objective of defending the SNCF and the state.

The unions offer to be principal shareholders of SNCF

United in rejection of restructuring for bad reasons, the unions shared out the roles according to their habits. On one side, unions claiming to be oppositional (CGT Cheminots and SUD-Rail) to the vindictive proposals increased their bragging. On the other, the so-called reformist unions (UNSA and CFDT), concentrated from the beginning on the work of developing the restructuration of the SNCF in concert with the government. This division of labour allowed both of them to come out at the end of the conflict without too many members and votes lost in the workplace elections of November 2018. The CFDT and UNSA called for a return to work on the basis of realism against adventurism, and the CGT and SUD denounced the traitors whose abandonment of the struggle had *de facto* obliged them to put an end to the strike.¹⁵ Here's a quick look at their respective positions.

The CGT as patriotic defender of the SNCF

In a 46-page document, "*Ensemble pour le fer*" ("Together for Rail")¹⁶, published on 7 March 2018, the Rail Worker Federation of the CGT set out its reading of the situation and its proposals. For them, the SNCF would not be a company like any other. Rail transport must assure the right to travel under reasonable conditions of access, quality and price as well as cost for the collectivity. Its importance is such that, following the example of other public services, it must not be subjected to the imperatives of profitability. The CGT discovers ecology and claims that rail transport is kinder to the environment and more reliable than road. As a champion of the French economy, the CGT claims that rail transport supports a national export rail industry.

¹³ See our leaflet about the union "opposition" to the decrees:

https://mouvement-communiste.com/documents/MC/Leaflets/BLT1712ENvF.pdf

¹⁴ Between the organisation into three ÉPICs, there were 21 CE (co-management boards between boss and unions), 300 DP (Personnel Delegates) and 600 CSHT (health and safety committees). There are now no more than 33 CSE ("Comité Social et Economique" - the new board created according to Macron's reform that merges all previous ones). See:

 $[\]underline{https://www.lesechos.fr/26/11/2017/lesechos.fr/030928144544\ cure-d-austerite-syndicale-en-vue-a-la-sncf.htm}$

¹⁵ To know more about our position on the unions, see Letter no. 11 "Unions and Political Struggle" (on our site: <u>https://mouvement-communiste.com/documents/MC/Letters/LTMC0311EN.pdf</u>).

¹⁶ A group of ten people, including two "rail experts" (Marc Thiberville, PCF representative for Villeneuve-Saint-Georges and Vice President of Val-de-Marne in charge of transport, and Hervé Gomet, representative of the CCGPF, leader of CGT Cheminots in Nord-Pas-de-Calais, General Secretary of the Interfederal Transport Union CGT) who published the report.

For the CGT, only the public authority, the state, can support rail transport. To relaunch it, therefore, it is necessary to re-establish its own price-setting, to reopen closed stations and lines and to employ workers under the status. The CGT pleads for the "*natural monopoly*" of the SNCF. The increasing number of actors, brought about by opening up to competition, will complicate rail production which cannot be like an ordinary commercial activity. The unified nature of the system will be indispensable. The CGT admits that it is useful to know the costs for each activity, for example, for the various passenger transport methods (TGV, Intercity, suburban trains, TER), but they must all be grouped under passenger activity.

What remains to be resolved is the complex question of financing of the rail system. The report concedes that the SNCF cannot completely finance itself. The state must take over the debt which it is responsible for. According to the federation, financing rail transport, requires renationalising motorway companies, taxing road transport, capturing part of the taxes on energy (TICPE), making the big companies which use rail pay, creating a public financial pole and appealing to popular savings (on the model of *Livret A* for the construction of social housing¹⁷).

The overall performance of rail, notably safety, will be "structured for the economic and social life of the nation". In conclusion, the CGT wants to give back to the state "its power of governance which it has always had to have". In passing, faced with the problems of subcontracting, the report pleads for a return to the defence of "craft". It specifies: "With financial profitability as the purpose, it leads to the break-up of trades and to job flexibility". Not a word about the subcontracted employees, who belong to subsidiaries of the SNCF Group or to private companies.

SUD-Rail for the reinforcement of the shareholder-state

In contrast to the CGT, SUD-Rail has not presented a counter-plan. On the other hand, in the SUD-Rail Federation's *Lettre économique* (no. 57 from March 2018), under the heading "The debt: deficit of operations or deficit of explanations?", it focuses on the debt while responding to the proposals of the Spinetta report. It's a debt which was the direct consequence of investments carried out since 1945 just by the SNCF. This is a real scandal to them because rail transport is "*essential for the country*". Also, the end of the ÉPIC status and the transformation into a public limited company makes access to loans harder, because of more restrictive criteria¹⁸. Therefore, the state will have to pay for the modernisation of French rail transport. According to SUD-Rail, "*the Rail Pact of Édouard Philippe is a transfer to the regions of infrastructure, which will lead to immense territorial inequalities, a deregulation of fares and mass closures of lines*". Thus, as a good Jacobin union, SUD-Rail agitates for the growth of the central state against the regions.

UNSA and CFDT each call on the state to cancel the debt

For UNSA Rail, the debt of 50 billion euros is not that of the rail workers but that of the state. The union points out the necessity of offering affordable fares to users. Opening up to competition can only degrade the condition of workers in the sector, and lower the quality of service. The union is favourable to freedom to set fares in a way beneficial to investments. For freight, UNSA regrets the allowing of heavy loads of 44 tonnes along with "abandonment of the ecotax". The union is favourable to infrastructure tolls which are equitable and transparent.

As for the CFDT, to which the FGAAC (train drivers union) now belongs, it participates in the strike movement in the framework of negotiations guaranteeing jobs, details of job transfers from the SNCF to competing companies and the framework of working conditions in general. Like the CGT, the CFDT wants a transfer on a voluntary basis, modelled on what happened with the TGV Eurostar drivers. In the matter of

¹⁷ https://en.wikipedia.org/wiki/Livret_A

¹⁸ See, for example: <u>http://mdcue.u-paris2.fr/la-garantie-illimitee-des-epic-vers-la-fin-dun-privilege/</u>

 $and: \underline{https://www.lesechos.fr/06/02/2018/lesechos.fr/0301258062723_le-scenario-d-une-transformation-de-la-sncf-en-societe-anonyme-ressurgit.htm$

the debt, the objective is the same for the competing unions: call on the state to play a stronger and more active role as a shareholder by paying off the debts present on the SNCF balance sheet.

A trade union platform to support the state, the SNCF, and their contractual role

Finally, on 22 March, the unions proposed an eight-point platform, under the heading "An efficient SNCF, with rail workers loyal to their jobs, is possible!"¹⁹:

- 1. the state to take over the SNCF debt;
- 2. relaunching of freight;
- 3. conservation of the juridical status of the SNCF (ÉPIC) as a public company, guaranteeing its *"ownership by the nation"*;
- 4. reorganisation of production towards an integrated SNCF company;
- 5. return of activity to the SNCF and its dominance of the rail industry;
- 6. retraction of the opening up to competition, which is not a suitable thing for the rail industry;
- 7. guarantee and improvement of the status as "*equilibrium between the rights and duties of the rail worker*";
- 8. improvement of the collective branch agreement.

From a general point of view, this short statement of two pages called for the cancellation of 20 years of transformation of the SNCF and its remaking into a company nationalised in the traditional way, therefore that the state permanently puts its hand in its pocket to make up for the debt, its present deficits and those to come. Certainly, this maximum programme contains no concrete means for realising it. For the unions, there is only one remedy: call on the state to help return to "as it was", always adorned with marvellous properties, to the good times when the unions participated actively (above all with a hegemonic CGT) in the companyement of the company.

From the point of view of the rail workers' condition, it is clearly written that there will always be *statutaires* (those with the status) and contract workers, because "*The status must be confirmed as the rule, including for future hires. It must be improved along with the rights of contract workers.*" What's more, it is not something for workers in subcontracting firms. Finally, if wages must be subject to "*real growth*", there is nothing in the system of bonuses which must therefore remain as it is.

But the valiant defenders of the return of the SNCF into the bosom of the state did not protest²⁰ when, for example, Keolis, a subsidiary of SNCF²¹ was operating road and rail transport networks instead of *Deutsche Bahn*, on the *Teutoburger-Wald-Netz* (TWN) network in North Rhine-Westphalia.²² Ah, the misery of economic nationalism which the French unions wallow in.

Workplace elections in November 2018: nothing much to report

Since then, the elections of delegates to the 33 CSE (Social and Economic Committees) have taken place and results announced on 22 November. There were 101,211 voters out of 151,746 registered. The rate of participation continues to fall (80% in 2004, 68.7 % in 2015) to reach 66.7%, including 60.3% for the professional staff. The results show a great stability in the respective weights of the various unions and always less mobilization, particularly in the electoral college for the professionals.

¹⁹ http://syndicollectif.fr/wp-content/uploads/2018/03/20180322_communique_unitaire_sncf_efficace.pdf

²⁰ Or only when Keolis took a market away from the SNCF, as in the case of Tram-Train T11 line.

See: <u>http://www.cheminotcgt.fr/espace_presse_accueil/la-sncf-championne-de-la-privatisation-et-du-dumping-social/</u>²¹ Keolis is a subsidiary of SNCF (70%) and the big Canadian pension fund *Caisse de dépôt et placement du Québec* (30%). See:

²¹ Keolis is a subsidiary of SNCF (70%) and the big Canadian pension fund *Caisse de dépôt et placement du Québec* (30%). See: <u>https://www.keolis.com</u>

²² See: <u>http://www.mobilicites.com/011-6695-Keolis-demarre-l-exploitation-de-deux-reseaux-ferroviaires-en-Allemagne-et-aux-</u>Pays-Bas.html

	CGT	UNSA	SUD-Rail	CFDT	FO	CFTC	CFE-CGC
2018	34,02	23,96	17,28	14,30	7,63	0,03	2,78
2015	34,33	23,86	16,83	15,15	9,16	0,68	

Results in %

Sources: SNCF announcement (servicedepresse@sncf.fr).

The CGT continues its slow erosion, matched by the slow rise of SUD-Rail, the same for the CFDT and UNSA. Finally, FO, already not representative, continues to shrink. Therefore, in the end, the strike had no notable influence on the results. Certainly, there are contrasts between various centres and regions²³, but on a national level, among the four representative unions, CGT and SUD-Rail obtained, after adjustment (a consequence of the Labour Law of 2016), respectively 37.99 and 19.29% of the votes, just over 57% together. They are thus able to block any collective agreement.

There's no workers' autonomy without criticising defence of "public services"

Incomprehension of the nature of "public services" and their content confuses the consciousness of the employees, chaining them to their employer. All the more so as a good number of the strikers are attached to this public service and its defence. What is therefore a public service?

"In the material sense, an activity in the general interest, assured under the control of the public authority, by an organisation (public or private) benefitting from prerogatives allowing it to assure the mission and obligations (continuity, equality, mutability) and relevant to the fact of a specific juridical regime (in France: administrative law)."²⁴

We clearly do not share this conception of the "general interest". In effect, like Marx and Engels, we think that:

"On the other hand, too, the practical struggle of these particular interests, which constantly really run counter to the communal and illusory communal interests, makes practical intervention and control necessary through the illusory "general" interest in the form of the State"²⁵

And what is the state? It would be very simplistic to reduce it to just the monopoly of force expressed by its three levers (army, police, justiciary), because that is not its only function. The state plays a role of administrative nerve centre, by capillary connections from the central territory towards the various strata of territorial authorities, going as far as local associations, whose existence it finances. There is also the way it finances intermediate bodies like the unions. In fact, it contributes more to their running costs than do the subscriptions of their members. The state is also a particular capitalist acting as an individual capitalist not only in the sectors which it controls totally or partially via the *Caisse des dépôts et consignations* (the investment arm of the French state) and the *Agence des participations de l'État* (an agency managing the state's holdings in about 70 firms), but also as purchaser in several industrial sectors like public works and construction, aeronautics, armaments and transport. Thus, it directs industrial development.

The confusion between the juridical ownership of a service company and the nature of the service, always commercial under capitalism, only has the aim of making the state and the general interest

 $^{^{23}}$ Thus, in Versailles, for the CSEs on suburban lines N and U, the CGT progressed in the executive staff (from 43.44 to 50.96%) and the supervisory management (from 41.67 to 43.18%), with a total participation going from 57 to 59.66% (for 3,758 registered).

registered). ²⁴ See: <u>https://fr.wikipedia.org/wiki/Service_public</u>. However, let's note that in French law there is no legal definition of public service. It is the Narcy case-law from 1963 which, for the moment, makes the law. See:

https://www.doc-du-juriste.com/blog/conseils-juridiques/arret-narcy-conseil-etat-28-juin-1963-commentaire-arret-27-02-2018.html

²⁵ In F. Engels, K. Marx, "*The German ideology*, A. Idealism and Materialism, Private Property and Communism" See: <u>https://www.marxists.org/archive/marx/works/1845/german-ideology/ch01a.htm#2a</u>

coincide. But what is the juridical ownership of these so-called services? Whether it is the state or completely privately owned or some combination of the two, this should not concern the workers. What must concern them is the working conditions and wages. What must permanently motivate them is the fight against divisions between workers.

To return to the state-boss, we must insist that it is a boss like any other from its origin. The false opposition between functionaries of the state, with supposedly guaranteed jobs, and employees in the private sector follows from the idea that the state is a different boss which has the exclusive prerogative of incarnating the interest of everyone, therefore the workers as well, with the functionaries at its head. This disastrous idea is at the origin of the opposition within the exploited class between state employees and the others. It's a division which profits all the bosses, whether they are state sector or not.

This also allowed the fight for defence of the status to run into a brick wall in workplaces where the majority of new hires were outside the status. This certainly doesn't mean that workers with the status must not defend it but that they are only able to do it by finding common elements of struggle with the non-status workers. To return to a previous strike at SNCF (in 1995), let's recall what we said about the nature of this company²⁶ :

"SNCF is a company just like any other and its employees are exploited like those of the so-called "competitive" private sector. Some proof?

- Transport workers always pay more dearly for the time that they spend in transport and this time gets longer year by year.
- Each of the rail lines, like the air routes of Air France and Air Inter according to the Blanc plan, must be profitable for the company... if not it will close. Over the years the SNCF has got rid of numerous regional trains and parallelly develops, without counting the TGV lines, "high added value".

Every year, since the 1950s, 4,500 rail worker jobs have gone, and that is because the SNCF can claim a very respectable labour productivity (from 35 to 40% higher than that of Deutsche Bahn).²⁷

The unions quickly take over the struggle

The union sabotage of the struggle was able to act openly following the supposed success of the day of action on 22 March 2018. In effect, contrary to what had happened previously, the call to strike against the reform was not accompanied by any intense preparation through arguments and tours of workplaces. The union federations proposed actions, forms of struggle, which proved to be the programmed sabotage of the hypothetical and disorganised will of some minority sectors of strikers who wanted to act otherwise.

The unions used the strike as a lever to persuade the management to arrange their places in the future, to best maintain themselves in the social compromise within the SNCF. Starting from a rather realistic appreciation of the balance of forces judged from the outset to be unfavourable, the CGT launched, against the advice of SUD and some of its own sections, an arrangement to strike on "2/5" (two days on strike in every five). It was a proposition quickly taken up by UNSA and the CFDT. The idea was to do more harm to the boss than the employees, taking account of the inevitable disruption caused on days back at work.

But the boss quickly learned how to manage this modulated struggle. From the end of April, the 2/5 no longer functioned and its collateral damage in the camp of the strikers had the upper hand: the emptying out of any sense of participation in the AGs and increasing passivity, the consumer side of the strike, the can't-be-bothered attitude of some strikers. As we wrote in our leaflet: "*taking account of the chronic weakness of the present movement, the renewable strike proposed by SUD is to the 2/5 what sudden death is to a slow agony.*"

²⁶ Bulletin ouvrier, supplement to no. 1 in <u>https://mouvement-communiste.com/documents/WorkerBulletin/bo_1_supp.pdf</u>

²⁷ https://ressources.data.sncf.com/explore/dataset/effectifs-disponibles-sncf-depuis-1851/table/?sort=date

What's more, the "indefinite strike" of SUD-Rail never took hold, including in the centres where SUD-Rail members were a majority. It was a paradox that its activists were reluctant to comment on during the strike and even still today.

As for initiatives by strikers that were not run by the unions, they remained embryonic, or limited to one centre without ever managing to communicate with those outside. In the AGs, we only recorded a few timid possibilities of going beyond a framework of struggle limited to the defence of the company and the status. Too timid unfortunately to overturn the order of things.

We refer you to our working document "*Chroniques d'une défaite*"²⁸ for the chronology of the strike, reports from the AGs and detailed analysis of the limits of the strike made by strikers.

Since the strike

Since September 2018, the overturning of local agreements and the pursuit of the reorganisation of production has led to local conflicts. At Versailles, for example²⁹, where two strikes with occupations of management offices, 9 October and 27 November, against the modification of the work of station agents in the suburbs, have seen participants in the AGs more numerous (above 120) than in any AG during the strike against the Rail Pact. There were also strikes in support of a rail worker threatened with being fired for actions that took place during the strike³⁰.

The recent defeat must not be seen as a curse. It must serve to help us better understand the strengths and weaknesses in our camp, to size up the management and to understand a productive process in rapid and permanent evolution. This is the condition for winning the battles to come.

Going beyond the tutelage of the unions is equally a condition for the revival of struggles, and it needs to be translated into a practical critique of their role as a pillar of the company and the state. The first step is to take on for themselves the tasks of organisation of strikes and the centralisation of local initiatives. The other indispensable and primordial condition for reviving the fight is to stop considering that the *raison d'être* of a rail worker is to provide a "public service". The SNCF workers are like all the others: obliged to give their energy and collective intelligence to a boss for survival.

It is necessary to cut the cord with the SNCF and the state and to fight above all for their own interests like all other proletarians. Paradoxically, the evolution of the SNCF, which presents itself more and more as a company identical to those of the private sector, helps us. And the turnover of generations of workers takes us in the same direction. The young SNCF employees already show less attachment to the company.

This strike in 2018, ending in defeat, closed a cycle of struggles which began in November-December 1995, with the victory of the strike against the reform of the special retirement regimes attempted by the Juppé government. But even the victory of 1995 in fact hid some real weaknesses. Only three AGs common to all job categories emerged across the whole territory – Chambéry, Saint-Lazare and Sotteville-lès-Rouen. The slogan "*All together, all together, yeah*!" was only a smoke screen to satisfy those who content themselves with little and don't want to "give up on Billancourt"³¹ in going further in the fight against capitalism. A relative victory therefore in 1995 and, perhaps, we can ardently hope, despite a defeat experienced in 2018, a recovery in the years ahead.

MC/KPK, 19 March 2019

²⁸ <u>https://mouvement-communiste.com/documents/MC/WorkDocuments/DT11%20Chroniques%20SNCF%20vF.pdf</u>

²⁹ But also, in Limoges, on 10 January 2019, a strike of maintenance workers against outsourcing. In Toulouse, from 3 to 12 December, a strike of controllers against reorganisation. In Lyon, a strike of drivers of the tram-train in Ouest lyonnais, from 6 to 21 December, for an increase in wages (30 euros a month obtained). In Villeneuve Saint-Georges, 18 December, a strike of the TGV maintenance against the closure of the site in 2021 and the transfer to Paris-Conflans.

³⁰ Bayonne, 16 October; Versailles, 21 December.

³¹ Renault Billancourt was a famous "workers' fortress" for the CP and CGT. Some leftists don't like to speak about the "betrayals" by the CP/CGT because it might make workers despair.

ANNEX 1: The Rail Pact in summary

Taking inspiration from the Spinetta report³², the government presented its reform, the Rail Pact ("Pacte ferroviaire"), on 12 March 2018. It was a question of making the SNCF more efficient, aligning its costs with European standards, and increasing its capacity to generate profits.

"The priority is to transform the SNCF, making it more competitive, freeing up profits and ultimately, at the end of this transformation, we can envisage that the state takes on the debt of the SNCF." Bruno Le Maire, Minister of the Economy and Finances.³³

The first part of this transformation is the creation of the limited company from the public capital of SNCF, a model inspired by *Deutsche Bahn*. In contrast to the three existing ÉPICs, the company will not be able to go into debt indefinitely because it will be made to respect a "bearable" ratio between the debt and its operating margin (relation between running costs and turnover).

If the new governance of the SNCF limited company is still waiting to be fixed by various decrees, it is intended to involve, following the example of *Deutsche Bahn*, the creation of a holding company which will ensure the running of the various subsidiaries. The company will retain the "entirety" of the capital of SNCF Network and SNCF Mobility. The stations will be attached to SNCF Network.

The second component organises the opening up to competition, characterised by a free access to the infrastructure for any rail company. This access will be differentiated according to types of traffic and it will follow different timetables:

- > The TGV lines starting from December 2020.
- The Intercity trains also from December 2020. Exceptions are foreseen, such as putting in competition two years later, in 2022, in batches, of the Nantes-Bordeaux and Nantes-Lyon connections.
- The regional trains (TER) according to the timetable fixed by each region, from December 2019 for those who want it and after calls for proposals have been organised. The regions will be able to continue to give contracts directly to SNCF until December 2023. And those for a maximum duration of 10 years. Afterwards, competition will be the rule. Île-de-France³⁴: between 2023 and 2033 for the existing lines apart from the RER (lines H to R). Starting from 2025 for the RER E. Between 2033 and 2039 for RER C et D. In 2039, for RER A and B.

The third component is the announced end of the rail worker's status or, more exactly, the end of hiring new people with the status, starting from 1 January 2020. In her speech on 3 April, the Transport Minister Élisabeth Borne set out, before the National Assembly, the details of the change³⁵:

Guarantees in terms of choice. The transfer of employees will be carried out with priority given to volunteers. Only if this fails will it be completed by obligatory transfers. In case of refusal of transfer, the worker will be fired.³⁶

³² https://www.ecologique-solidaire.gouv.fr/sites/default/files/2018.02.15_Rapport-Avenir-du-transport-ferroviaire.pdf

 ³³ Declaration of 27/02/2018. <u>http://www.leparisien.fr/economie/sncf-le-casse-tete-de-la-dette-en-cinq-questions-06-04-2018-7650060.php</u>
³⁴ The region which concentrates most of the traffic (70% of all passenger traffic; total each day being 2.7 million journeys). The

³⁴ The region which concentrates most of the traffic (70% of all passenger traffic; total each day being 2.7 million journeys). The Law of 2009 entrusted to RATP, until 2039, the running of existing rail services and in particular RER A and B co-managed with SNCF Mobility.

³⁵ See: <u>http://discours.vie-publique.fr/notices/183000655.html</u>

³⁶ "In the case of expressed refusal of a job offer, the assignor will invite them to an individual interview prior to the termination of the employment contract", section 2, article 4 of decree n° 2018-1242 of 26 December 2018 relating to the transfer of employment contracts of employees in the case of change of the recipient of a public service contract for passenger rail transport. See: <u>https://www.legifrance.gouv.fr/eli/decret/2018/12/26/TRAT1829738D/jo/texte</u>

Beginning after the vote for the Pact, the negotiations between the UTP (Union of Rail and Public Transport), which represents rail companies, and the SNCF trade unions on the details of the transfer of staff in the framework of the opening to competition ended, in December 2018, in failure. UNSA Rail was the only trade union to sign but it only represents 24% of staff, below the 30% needed to conclude an agreement. It is therefore the state which issued a decree to fix the details of "designation of the

- Some guarantees in terms of rights: preservation of the level of pay at the moment of transfer, along with the special retirement regime.
- > The guarantee of a job, maintenance of travel privileges, and access to specific health services.

In fact, most of these general points would be specified in negotiations with the unions.

The fourth component is the investment of 36 billion euros in the form of state subsidies over 10 years. The investments finalised for the improvement of the rail network are twice as much as during the previous decade (2.2 billion in 2019, after 2.75 billion in 2018). In the first place they are for keeping the infrastructure in good working order (catching up with transferred operations) and putting in place means of control and signalling (reduction of the number of signal boxes by the creation of 16 centralised network command centres³⁷, and extension of the ERTMS³⁸ etc.). A system for intelligent traffic regulation to detect and foresee circulation conflicts will be put into action.

The fifth component recommends the closure of the non-profitable lines according to the Spinetta report, along with the redeployment of the Intercity lines to the benefit of the TERs by absorbing them or just shutting them down³⁹. Contrary to the recommendations of the same report, it is not intended to close all the small lines⁴⁰. More precisely, the SNCF will not only decide on the closure of lines but will remain in charge of reducing or removing the service to passengers on them.

Finally, there's the SNCF debt. The state promises a relief of the debt once the company's performance improves. Interviewed on television, on 15 April 2018⁴¹, Emmanuel Macron announced the start of debt relief in 2020. A government report from 2016 had, on the contrary, concluded that a total or partial relief of the debt would not be a good idea, because it would increase the public deficit, well beyond the limit of 3% of GDP demanded by the Maastricht criteria. The SNCF debt represents the equivalent of 2% of French GDP. The 2016 report concluded that it was urgent to get back to the situation where the SNCF was in surplus thanks to better management, allowed by the 2014 rail reform.

ANNEX 2: A process of restructuring which has been going on a long time

We will limit ourselves to setting out the main points of each reform which has punctuated the transformations of the business following the strike of November-December 1995.

February 1997: creation of the RFF (Rail Network of France) ÉPIC by transfer of capital, RFF becoming the property of the national rail network and the "rail" part of the stations (platforms, tracks, signal boxes), but it is the SNCF which remains in charge of operations. The objective of the government was then

⁴¹ https://www.liberation.fr/france/2018/04/15/ce-qu-il-faut-retenir-de-l-interview-du-president-de-la-republique_1643559

employees transferred by employment category, conditions of priority or voluntary call, the details and timeframes for the establishment of lists of transferred staff".

 $^{^{37}}$ The 16 CCR (4 in Île-de-France, 12 in the provinces), divided into 52 centres of circulation, will control 1,500 signal boxes – whose number will diminish – and 14,000 km of lines (out of 30,000 km in the total network) which ensures 90% of the traffic.

³⁸ European Rail Traffic Management System at level 2 for the high-speed lines and some classical lines with a high traffic density, NExTEO on the densest sections in Île-de-France (for the latter, see: <u>https://www.sncf.com/sncv1/ressources/cp_nexteo_def.pdf</u>). This is to benefit from an intelligent system of traffic regulation detecting ahead of time, temporally and geographically, conflicts of circulation with the aim of diminishing their effects.

³⁹ Taking account of the success of the regional trains in Île-de-France and the provinces (the increase in traffic has been 60% for the TER in the course of the last 15 years), the state wants to progressively transfer 18 Intercity lines to the regions, between now and 2020. The regions will have the responsibility to optimise their rail supply by removing duplication and adapting the services of the TET to their needs according to their means of financing, because the TER are 74% financed by the state and the regions, and the TET (ex-Corail) only to the level of 32%.

⁴⁰ On a third of the network, the average traffic is only 13 trains per day with a very low occupancy rate. Out of the 200 lines classed as being in this category, only a quarter have more than 50 passengers per train. The average is less than 30 passengers. Other European countries have closed such lines, which explains why the average utilisation of the French rail network is less than theirs, and why all the other comparisons in terms of productivity or costs are biased in the same way. The long-term maintenance of these lines would mean tripling the renewal effort to the tune of around 500 million euros annually. Public expenditure dedicated to small lines has risen to 1.7 billion per year (1 billion running costs for trains, 600 million for running costs of infrastructure and 150 million in investments for regeneration), making up 16% of public support to the rail sector. They represent less than 10% of trains and above all less than 2% of passengers. Each kilometre travelled by a passenger thus costs 1 euro to the authority.

to free the SNCF from its debt, to apply the European directive on accounting separation between management of the rail network and provision of transport services.

June 1998: regionalisation, that is to say transfer to the regions of the authority to organise rail transport. Launched by the Pasqua Law in February 1996, 5 regions would experiment with it and then it would be generalised to all the regions in 2002. The regions defined their needs in lines and numbers of trains, the rail equipment is financed by the regions (with the help of the state), but it is the SNCF which operates it.

March 2006: liberalisation of freight, that is to say the opening up of internal freight transport to competition, following the opening of international freight transport in March 2003. Since then, twenty or so companies, French and foreign, have operated on this market with more or less success.

February 2008: creation of *technicentres* replacing the previous Industrial Maintenance Establishments (EIM), Material Maintenance Establishments (EMM) and Industrial Establishments for Maintenance of Material (EIMM). One technicentre can have several operational units associated with it. The reorganisation means that the technicentres have a geographical regional base coupled with a base of activities (TGV, TER, suburban trains etc.). At the same time, the stations became profit centres responding to the demands of management accounting.

October 2012: return of the RFF into the SNCF which became SNCF Network in December 2014.

June 2014: announcement of the creation of three ÉPICs: SNCF, SNCF Mobilities and SNCF Network. The project was presented to the CCE in October. For the affected staff in SNCF Network (50,000 SNCF station agents and 1,500 in RFF), a "*transfer without changes*" of employment contracts is in operation, as for the employees of the future holding company.

ANNEX 3: LEAFLET

Below is a leaflet distributed in June 2018 in a few AGs during the strike.

SNCF: The unions and the parties on the left of capital have sabotaged the strike by channelling it into defence of the rail company and the state-boss. Only a big jump in workers autonomy can save it!

After two months of strikes – a minority of workers from the start – the struggle is slowly wearing itself out. With the exception of 14 May, which was a kind of last-ditch stand, the number of strikers is going down, including among the most mobilised categories like drivers and traffic controllers. The strike is not biting as far as non-strikers are concerned. The GAs [General Assemblies], reduced in number and variable in participants, are a pale imitation of what they need to be. They do not have the strength to do anything decisive to restore the will to fight and are at the mercy of the union bosses who run everything.

The 2/5 [two strike days out of 5 working days] plan decided by the CGT corresponds to the real balance of forces but empties any sense from participating in the GAs and increases the passivity, the "consumer" side of the strike, such as the who-knows-what side of some strikers who turn out depending on the weather. But, taking account of the chronic weakness of the present movement, the renewable strike proposed by SUD⁴² is, relative to the 2/5, a matter of sudden death rather than slow agony.

The number of non-strikers is growing. They are not all scabs who've sold themselves to the Management. We have to understand their scepticism in the face of a strike which from the outset led the rail workers into the role of more or less engaged spectators. According to the unions, the referendum (organised by them, held from May 14 to May 23) should have made them more involved. Yet it served no function. Its success (in total 65% of the staff declared themselves against the plan) is only the other side of the coin of the weakness of the movement. In effect, 45% at a minimum of those against the plan are not on strike. The idea skilfully maintained by the unions that it is enough to vote to make the lines move has moved us even further away from the tough actions which are still indispensable to get concessions from the state-boss. Among the strikers, it's becoming obvious that these 45% don't want to stick their necks and are counting on them to limit the damage. In short, a strike by proxy. The exact opposite of what is needed to win anything.

While the strike sticks to the state diktat of giving notice of action, there's no chance of doing any harm to the state-boss. The SNCF made very effective use of the notice period to minimise the effects of the struggle on its turnover and its profits. As long as the unannounced actions don't hit the principal source of revenue of the SNCF, that's to say the TGV [high speed lines] and the international lines, the state enterprise can resist the pressure of the rail workers. In December 1995, while the strike gained in strength, not a single train circulated. When there was an attempt to get them rolling, they could be blocked, even with only 50% of the strikers because they had established a favourable balance of forces. Today that is not the case.

The problem is that this strike has not been prepared by an intense plan of mobilisation and consultation of the rail workers before it started. What's more, it's been impregnated from the start by the cult of the SNCF Company, nonsense about public service and blah blah about the beauty of being a railway professional. Also, the silly stuff that the employees go on about counts for nothing. The debt? The status of the company? Public service? Certainly, these concern the trade union officials who sit on the administrative councils of the two EPICs⁴³, who defend the firm in order to defend their function, who are ferociously attached to their facility time, to their negotiated promotions etc. The rail workers, on the other hand, have only one preoccupation: what will happen to their working conditions, their wages and their social protection?

All this is summed up in the defence of the "status" of the rail worker. Yet this status does not concern all the staff of SNCF nor the tens of thousands of workers in the subcontracting companies. For the defence of the "status" of the rail worker to become a real force for mobilisation it would be

⁴² The more "rank and file" of the rail unions, in fact like others participate to co-management of SNCF.

⁴³ Établissement Public Industriel et Commercial—a public service company owned by the French State, such as SNCF.

necessary to fight clearly for its extension to the contractors, to the temps from Manpower, to other workers in the SNCF group (in Geodis-Calberson, for example) and, above all, to the sub-contractors, all of them: cleaners, like the staff of Onet; repair workers like the staff of Colas Rail, ETF or Transalp Remplacement; the replacement bus drivers etc.

On the other side, the rail worker "status" remains the cage in which the state-boss keeps the rail workers on the leash of the SNCF and divides them. If the rail workers in struggle don't put at the top of their objectives the application of their contractual conditions to all employees of SNCF, it's easy for the boss to claim that the rail worker "status" is for the "privileged". Unfortunately, today, this extension of the status is not envisaged by the immense majority of the rail workers. All the more reason for the unions to mock it completely.

Then there is the question of wages, frozen for far too long. This freeze has been partially offset by the numerous bonuses which improved the meagre fixed wage. Yet this system of bonuses is a double trap for the rail workers:

- because it widens the division between those who get them and those who don't,

- because the bonuses are excluded from the calculation of pensions.

Thus, to contribute to the unification in struggle of all categories of workers in the rail company, it's necessary to demand that the common bonuses are consolidated into basic pay, whether you have the famous "status" or not. It is also necessary to win uniform wage increases for everyone, breaking with several years of decline (2003, 2007, 2010, 2014 and 2016) and "wage moderation".

For the moment, this turnaround in the strike doesn't look like it's on the horizon. Right now, the union game of annihilating the struggle is becoming clear. The CFDT and UNSA⁴⁴ are getting ready to give up after 5 June on the pretext of some advances in their negotiations with the state-boss. "Advances" for the most part already set out in the first version of the railway law. Listening to the union amendments, they've only been about "strengthening the language", that is to say hair-splitting and useless details. As for the CGT and the SUD, they shout once again about the betrayal by their friends in the CFDT and UNSA before turning back in their turn. The real risk is that these two organisations leave the most determined rail workers to rush into an isolated and ultra-minority fight matching the abstract appeals to an imaginary solidarity. If this scenario comes to pass, the strikers will have just been the water carriers for the unions, all the unions, helping them maintain their chosen place in the co-management of the state rail company. If this happens, the most determined rail workers, once isolated, will be abandoned to the bosses' repression.

What to do now? A lot of time has been lost but the last rites have not been said. A first condition is to take the control of the strike away from the unions. A second is to stop respecting the strike notice period, to become mobile again, to strike in an improvised way not following the official calendar, to stop and start at opportune moments. For that, it's necessary to win over to the struggle those who haven't participated up until now in organising GAs in the services, in all sectors of the rail company.

We can't win over the undecided without putting forward the idea of strike objectives like equal wage increases for all, consolidation of bonuses into basic pay and the extension of rail worker "status" to all those who work directly or indirectly for the SNCF.

Let's fight the SNCF and the state-boss. Abandon illusions in "public service". FOR THE REVIVAL OF WORKERS INITIATIVE

Paris, 3 June 2018

⁴⁴ Mainly, but not only, white collar union federation.