

Forcing it through

Summary

- Like many European countries, France is experiencing pension affordability issues due to an ageing population.
- President Emmanuel Macron and his government have pushed through pension reforms aimed at reducing the pension system's forecast deficit.
- However, the changes, especially raising the state pension age, have proved extremely unpopular with unions and the public, sparking nationwide protests.

Amid widespread protests, the French government has pushed through pension reforms, including a particularly unpopular increase in the state pension age. Jack Gray discusses the story so far

While a longer life expectancy is a hallmark for a prospering nation, it necessitates longer

working lives for its people. Many European countries have been trying to find a balance as their populations age and birth rates fall, and France is no different. It currently has one of the lowest state pension ages in Europe at 62 years old, despite having a median citizen age higher than the UK, Norway and Sweden, to name a few.

It seemed as if something had to give way, and it did this spring in the form of long-awaited pension reforms. Plans for pension reform began before the pandemic, with protests taking place at the end of 2019 after President, Emmanuel Macron, announced he was planning to overhaul the system.

However, these proposals were put on hold due to the outbreak of Covid-19. There were plans for discussions with the government on the reforms in July 2020, but these were paused once the pandemic began.

Commenting in June 2021, when announcing the plans were to be scrapped, Macron said: "It was very ambitious and extremely complex and that is why it generated anxiety, we must admit that. Doing it right now would mean ignoring the fact that there are already a lot of worries."

Resurrection

However, Macron was not going to give up on his desire to reform the pension system and, in the run up to the next election in March 2022, he announced that he would increase the state pension age from 62 to 65 if he was re-elected. He told MPs at the time: "We have to accept that we must work for longer to continue to have a social model that can be maintained and correspond to rising life expectancy."

A month later, he softened his stance as he entered the final round of the general election, stating that he was "ready to change the timeline" on his



planned pension reforms and that he was prepared to “open the door” on raising the state pension age to 64, rather than 65 as he initially proposed.

Less than a year and one election victory later, Macron’s planned reforms were presented to parliament. On 10 January 2023, French Prime Minister, Elisabeth Borne, announced the proposals in parliament, acknowledging that the increase in state pension age was likely to raise “questions and fears” amongst the French people.

However, she warned that not doing anything about the forecast deficits in the pension system would be “irresponsible”.

“It would lead inevitably to a massive increase in taxes, a reduction in pensions and would pose a threat to our pensions system,” Borne stated. Trade unions were quick to voice their disapproval of the increase in the state pension age and announced the first of many strikes for 19 January.

The proposals

The initial reforms presented to parliament included several proposals to the French pension system. The main, and most controversial, one being the raising of the state pension age. Macron’s government proposed raising the state pension age from 62 to 64 by 2030. This increase would be gradual at a rate of three months a year. The process was to start in September 2023, reaching 63 years and three months by 2027 and hitting the target age of 64 in 2030.

Alongside the raising of the retirement age, several other proposals were presented as part of the reforms. The amount of time working needed to receive a full pension will rise from 42 to 43 years and a guaranteed minimum pension income will be introduced. This income level will be set at no less than 85 per cent of minimum wage for new retirees.

Public sector workers in mentally or physically demanding jobs will keep the right to retire earlier than the wider

workforce, but their retirement age will rise at the same rate. Borne also announced that differing retirement ages and pension benefits for certain workforces, such as rail workers, would end. “We offer today a project to balance our pension system, a project that is fair,” Borne said at the time.

Taking to the streets

Following the announcement of the planned reforms, a nationwide day of strike action across key working sectors, including education and transport, took place on 19 January. For the first time in 12 years, all eight of France’s main trade unions, CFDT, CGT, CFE-CGC, CFTC, FO, FSU, Unsa, and Solidaires, agreed to hold a day of strike action. They called for the immediate withdrawal of the reforms, which they have described as unnecessary and unfair, with left-leaning parties in France voicing their support for the strike. More than two million people took to the streets nationwide, according to unions, while the French Interior Ministry estimated the number was just over 1.1 million.

Despite the huge turnout, Macron and his government refused to back down, with Borne stating the plan to increase the state pension age was “now non-negotiable”. Following this, trade unions announced another day of strike action for 31 January, with the turnout again exceeding one million even by the lowest estimates.

Amid the strikes, debate began in parliament on 6 February, with industrial action continuing during the entire process of the reforms passing through parliament. Protests reached a crescendo in late March as Macron forced the reforms through parliament, with more than a million people turning out again. Bordeaux town hall was set on fire amid the protests and approximately 80 people were arrested across the country. Despite the continued and intensifying protests, Macron showed no sign of backing down.

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Amid the strikes in March, the pension reform bill eased through the conservative-dominated Senate after the final draft of the bill was agreed upon. It moved on to the vote in the National Assembly, which proved to be more resistant to the changes than the Senate. Once it became clear that the National Assembly would likely not vote in favour of the bill, Macron invoked his constitutional power through Article 49:3. Article 49:3 allows the sitting French government to pass legislation without a vote in the National Assembly.

The use of Article 49:3 sparked chaotic scenes in the parliament, with opposition MPs jeering and singing the national anthem. Despite their opposition, the government forced the bill through the National Assembly.

Invoking Article 49:3 opened the government up to a no-confidence vote, with the deputies of the opposition filing a motion of no-confidence in the government almost immediately after the bill was pushed through. However, the government narrowly survived the vote, which saw 278 votes in favour of the no-confidence motion, with opposition parties needing 287 votes for the motion to pass.

One final hurdle had to be overcome before the bill became law: The Constitutional Council. The council is the highest constitutional authority in France and would decide on whether the reforms were constitutional. The key aspects of the bill, including raising the state pension age, were approved, and Macron signed the pension reforms into law on 14 April.

Pension protests have continued in France, with trade unions still organising strikes, but these have seen much lower turnouts. Despite much pushback, Macron successfully passed his pension reforms, but their impact on his popularity is yet to be fully seen.

 Written by Jack Gray