

Inequality and the French Pension Strikers

by Theodore Dalrymple



In the department of economy, an act, a habit, an institution, a law, gives birth not only to an effect, but to a series of effects. Of these effects, the first only is immediate; it manifests itself simultaneously with its cause – it is seen. The others unfold in succession – they are not seen... **Frédéric Bastiat**

In France, the government is trying to reform the pension system and even those who believe that reform is necessary think that it has acted *maladroïtly*. According to them, the government should have introduced reform sooner but more gradually. A spoonful of sugar, after all, helps the medicine go down.

I am not so sure. It implies that those opposed to reform would not have been able to see, and would not have reacted against, the thin end of the wedge that was being slowly driven into the present system, which is so enviably generous to some that they not surprisingly want it to continue. People may be blind to their country's long-term interests but they are seldom blind to their own short-term interests.

It is therefore entirely understandable that those who benefit from the current byzantine system of special pension arrangements should be anxious for them to continue unchanged. Workers on the railways, for example, mostly retire in their early fifties, and a train driver who retires as soon as the rules allow him to do so will quite possibly be in receipt of a pension for twice as long as he ever worked.

His pension theoretically is paid from the contributions of current workers, but since the number of current workers on the railways is half the number of former workers in receipt of a pension, it is unsurprising that the contributions have to be topped up by the government from general taxation. In other words, the forty-two privileged pension schemes of early and generous retirement for specially-designated workers – a small minority of the population, of course – are subsidised by the rest of the population, who have to work much longer in order to receive less generous pensions.

To an outsider, these arrangements seem grossly and even grotesquely unfair. And, as the government recognises, the situation can only get worse as the population ages and the proportion of workers to pensioners declines further. The government already resorts to borrowing to meet its obligations, and it is estimated that, if the system is not reformed, the shortfall in worker contributions to their special pension arrangements will amount to 0.7 per cent of GDP in twenty years' time.

In view of these elementary facts, the degree of public support for the present wave of strikes is surprising, all the more so as the strikes have caused great inconvenience to millions of workers, some of whom faced commuting times of more than two hours each way to get to and return from work. Polls show that about a half of the population think the strikes in defence of special pension regimes are justified, and support the strikers. Polls may, of course, be inaccurate, as the last British general election demonstrated very

clearly, but at the very least they show substantial levels of public support for the strikes.

How are we to account for this? The beneficiaries of the special pension arrangements are not in exceptionally arduous or disagreeable occupations that might justify early and generous retirement (though no doubt there is a good reason why soldiers should be permitted to retire early, since a surfeit of ageing soldiers is not what any armed forces need). And the special arrangements were generally made when the demography was very different from what it is now.

Normally you might have expected a country that prides itself on its equality, at least relative to other countries at the same economic level as itself, to welcome reforms that try to place people on a more equal footing as far as their persons are concerned. But this is not the case, or at least not the case for a large part of the population.

One explanation is that many people find it difficult to engage in even elementary thinking. They do not see that what they are sympathising with is the maintenance of a system of privileges, albeit that the beneficiaries are not living sumptuous, Sun-King type lives. Neither do they see that it is they themselves who are paying for those privileges. A lengthy article in support of the strikes in *Libération*, the left-leaning newspaper, by a university teacher of philosophy, managed to avoid altogether questions of demography and privilege, and spoke only of a political economy in which the work-life balance should be redressed in favour of life, as if an easeful and pleasant life after early retirement did not have to be paid for by others, as if all could enjoy it equally. Let's all retire at fifty and do the things we've always dreamed of doing! Such was a political economy of the university teacher of philosophy: for, as Harold Skimpole said in *Bleak House*, 'I ask only to be free. The butterflies are free. Mankind will surely not deny to Harold Skimpole what it concedes to the butterflies!' If this is what is taught in

French universities, no wonder people support the strikers.

I concede, of course, that if productivity were to rise enormously, the present system might be preserved. But it would be unwise to bank on it for two reasons: first, it is not likely to happen, and second, if it were it to happen, it would give rise to new, supposedly necessary levels of consumption that would preclude using its fruits to subsidize early retirement.

I do not, however, think that so large a proportion of the French public supports the strikers because it is unaware of the underlying realities of the situation. I think they support the strikers because of a general dissatisfaction with life, when anything that discomfits those in authority is welcomed, even if it is even more inconvenient for themselves. Many people, after all, do try to solve their problems or make themselves feel better, by banging their head on the wall.

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