



**POLITICAL
INTELLIGENCE**

Macron's French pension reform: overview and reaction

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Introduction

President Emmanuel Macron has [pledged](#) to make 2023 the year of pension reform in France. On 10 January Prime Minister Elisabeth Borne [set out](#) legislative plans to raise the retirement age by two years to 64, a move the government says is essential to keep the public finances on a sound trajectory and future-proof the country's cherished pension system for a society that is aging and living longer. But unlike in his first term, when Macron was forced to shelve his pension reforms to focus on the Covid crisis, the president can no longer count on an absolute majority to help push the controversial bill through parliament. Unions say the pension reform is unfair and unnecessary and have hit back with nationwide strikes. Polls also indicate a majority of French people oppose the policy, with many households already feeling the strain from rising consumer prices.

This Dods Political Intelligence report, produced by our French monitoring service, provides an overview of Macron's pension reform plans and a broad range of initial stakeholder reaction.

Overview of Macron's pension reform plan

President Macron has long argued that France's expensive pension system needs reform to ensure the country's cherished social model remains sustainable with a population that is both aging and living longer. France spends more on pensions as a proportion of its economic output than most other European Union countries, except for Italy and Greece, according to Eurostat [data](#). In 2019 pension expenditure totalled €331 billion to more than 17 million retirees, the equivalent of 13.6 percent of GDP, according to French official statistics. The country's state Retirement Guidance Council ([COR](#)) has forecast that the number of pensioners per 100 working people will rise to 84 in 2040 from 52 in 1997, placing increasing pressure on a system which depends on the contributions of workers. The system is also complex, with some 42 different pension schemes with varied rules for calculating contributions and payments. Recent large increases in public spending to support citizens through the Covid and energy crisis have added even greater urgency to calls to balance the public finances.

Nevertheless, efforts by successive French governments to reform the pension system have been met by fierce resistance from unions and workers who have gone on strike and taken to the streets to defend the country's retirement age. Conservative President Jacques Chirac was forced to ditch plans to streamline the system in 1995 following weeks of mass strikes and protests. But in 2010 President Nicolas Sarkozy managed to raise the retirement age to 62 from 60, and in 2014 socialist President Francois Hollande extended the length of time people needed to work to be eligible for a full pension.

On 23 January 2023, Finance Minister Bruno Le Maire and Labour Minister Olivier Dussopt presented to the [Council of Ministers](#) a draft law rectifying the 2023 Social Security Financing law (PLFRSS 2023). The [bill](#), which was sent to the National Assembly, included the following key measures:

- Raising the statutory retirement age by three months per year, starting in September 2023, until it reaches 64 in 2030.
- Accelerating the timetable for increasing the length of time people must work to be eligible for full pension, as voted under the 2014 [Touraine law](#), to 43 years from 2027.

- Encouraging employment of older people by widening access to phased retirement, creation of a universal time savings account (CETU), and implementation of a “senior index” in companies.
- Close various sector-specific pension schemes to new entrants including for state-owned transport operator RATP Group, energy firm EDF, Bank of France, notary clerks and members of the European Economic and Social Committee and transfer those workers to the general pension scheme.
- Introduce added protections for workers deemed to be in “difficult careers”, including ensuring people who started their working life early would not work more than 44 years, and allow disabled people or those injured at work to receive a full pension earlier. The bill also includes plans for a €1 billion fund for countering professional burnout and retraining.
- Cap the minimum value of a full pension at 85 percent of the net minimum wage, or €1,200 gross per month. From September 2023, the minimum pension would be increased by €100 per month. The government also plans to take parental leave into account in the calculation of the minimum pension for those who have worked for more than 30 years and provide for family carers and people who have done community service work placements.

Macron’s pension reform efforts triggered nationwide protests in his first term, but the government was forced to shelve the plans in 2020 to focus on the Covid crisis. Initial reaction to his latest pension reform (see details below) suggests he will face no less resistance from unions, opposition politicians, and workers. And unlike in his first term, the president no longer has the advantage of absolute majority in the National Assembly. Since the reforms were announced, the country’s trade unions have launched a campaign of industrial action which saw more than one million people go on strike across the country on [19 January](#), and again on 31 January. At the time of writing, further strikes were planned for 7 and 11 of February, and an online [petition](#) organised by unions to protest raising the retirement age to 64 had gathered some 880,000 signatures.

Parliament is due to consider the bill in the first quarter of this year. The government is keen to see it approved in March so that the measures can come into force as planned in September 2023. The government may benefit from making the reform part of a budget text (PLFRSS), allowing unlimited use of the [49.3 article](#) which would enable it to push it through without unanimous support unless there is a motion of censure.

Reaction

The following section provides a broad range of initial comment on the government’s pension reform plans from politicians from across the political spectrum, unions, and other stakeholders, translated into English but including links to original sources.

Élisabeth BORNE, Prime Minister, [declared](#): *"Our distribution-based pension system is one of the foundations of our social system. It is a precious asset and a symbol of our nation. Our objective is to preserve it."*

Olivier DUSSOPT, Minister of Labour, Employment and Integration, [said](#): *"The prime minister and I are striving to improve the system, by providing new rights, and to balance it, because this is necessary. If we just improve the current system without balancing it, we would not be responsible. And if we just balance it without improving it, we would not be fair."*

Éric GIRARDIN, Renaissance deputy [member of parliament in National Assembly] of the Marne, [said](#): "To govern is to foresee. Our collective responsibility is therefore to guarantee a pension to our children and grandchildren, by ensuring the sustainability of our system and its financial balance. To do this, we propose a progressive reform that will make our system fairer by protecting employees who have had a long and difficult career, as well as disabled workers, and by increasing the minimum pension by 100 euros per month for a full career."

Eric CIOTTI, president of the Republicans, [stated](#), "I have always said that we need a pension reform, and I want to vote for a fair reform. We are a party of government. We have to be responsible. We had to reform the system to safeguard pensions and not lower pensions or increase contributions. We are asking for a revaluation for current pensioners and especially for small pensions".

Éric WOERTH, Renaissance deputy from Oise, [stressed](#): "Increasing the retirement age means changing the way our society views work. In this respect, the role of each company is fundamental: the degree of involvement of companies in the long term will determine the success of the reform and the public authorities will have to encourage them with accompanying measures."

Geoffroy ROUX de BEZIEUX, president of the Mouvement des Entreprises de France (MEDEF), [tweeted](#) "Reforming pensions was necessary to guarantee balance in 2030. The government has done it. Without penalising employment, by improving the purchasing power of pensioners, by taking into account particular situations". He [concluded](#): "This pension reform is balanced. Parliament must not distort it".

The French Institute for Research on Public Administrations (iFRAP) [argued](#): "The High Council is not in a position to assess the medium-term impact of pension reform on public finances. The risk is therefore that, apart from the deficits specific to the pension scheme, the savings generated/additional resources will be totally absorbed by the accompanying measures and corrections that will be made during the parliamentary discussion."

Fabien DI FILIPPO, Republican deputy for Moselle, [tweeted](#): "The government's macro-economic assumptions are once again deemed too optimistic, and undermine the scenarios on which it is building its budget and pension reform."

Raymonde PONCET MONGE, EST senator for the Rhône, [regretted](#): "You are preparing to copy the 2010 counter-reform which, according to the Drees [Directorate of Research, Studies, Evaluation and Statistics], caused the 1980 generation to lose a year's worth of retirement. If we add up all the reforms since 2010, several generations will lose up to twenty months of retirement. You are proposing to work more and lose one's life to earn it, while destroying our planet. Let's fight against this replica of the unequal reform of 2010."

Christophe BENTZ, RN deputy for Haute-Marne [asked](#): "With this reform, you forget to encourage the main factor of economic growth: the birth rate. Supporting a dynamic demography in the long term means guaranteeing the sustainable balance of the pension system and ensuring a natural solidarity between generations. What will you do to finally provide France with an ambitious policy to boost the birth rate?"

Sophie TAILLE-POLIAN, NUPES deputy for Val-de-Marne, [said](#): "In its report of September 2022, the Conseil d'orientation des retraites writes that there is no urgency. Your only obsession is to find out who

is going to pay for the 'whatever it costs' and your tax policy for the richest. There is no urgency to reform our pension system, except to improve it; for that, multiple financing possibilities are on the table."

Bertrand PANCHER, Radical deputy for the Meuse, [regretted](#): *"We disagree on the method and the timetable: this reform is being carried out without sufficient consultation. We disapprove of the choice not to allow Parliament to take the time to examine and vote on such an important text. As the President of the Republic said five years ago: what is the point of forcing people to work longer when they are unemployed?"*

Nicolas SANSU, Communist deputy for Cher, [concluded](#): *"Madam Prime Minister, in one week, you have not managed to convince anyone. You are ultra-minority in the country. You have no choice. The spirit of responsibility obliges you. There is only one alternative: withdrawal or referendum."*

Jean-Claude REQUIER, Radical senator from the Lot, [asked](#): *"Why not maintain the age at 62 and modulate the length of contributions? Wouldn't that be fairer? Let's make a reform in the radical tradition, but without radicalism!"*

Clémence GUETTE, NUPES deputy for Val-de-Marne, [criticised](#), *"After swearing not to touch the retirement age, Mr Macron has a new project: the imperative and urgent need to introduce retirement at 64! To make up for the small deficit to come, you are not planning any contributions on dividends or on very high salaries; above all, you want to continue piling up tax gifts even if, in passing, this will cause a jump in spending to finance the RSA, disability and unemployment!"*

Confédération Française de l'Encadrement (CFE) [said](#): *"Workers aspire to retire in good health, and with a level of retirement that allows them to live in dignity. The government must abandon both the retirement age of 64 and the acceleration of the increase in the contribution period. Other solutions exist, but unfortunately they have been swept aside with a wave of the hand."*

Alexis JOLLY, RN deputy for Isère, [said](#): *"This reform is far from being necessary and fair, because it aims in reality to make it impossible to retire at full rate. The Rassemblement National defends a variable retirement age depending on the age of entry into working life. We will finance this measure by saving the tens of billions of euros that mass immigration costs us every year and by reindustrialising France, which your anti-national policies are constantly weakening, pushing you to look for new savings on the backs of the French."*

Marianne MAXIMI, LFI deputy for Puy-de-Dôme, [denounced](#): *"For Oxfam France, it would be enough to tax billionaires up to 2 percent to finance the supposed pension deficit, which you are so concerned about. The accumulation of wealth is such that this measure would make it possible to balance the pension system for at least twenty years, and even to lower the legal retirement age. Yet you continue to rule out any tax increase for the ultra-rich."*

Union Nationale des Syndicats Autonomes (UNSA) [reported](#): *"This reform will hit all workers hard. It will worsen the precariousness of those who no longer have a job before they retire and reinforce gender inequalities."*

Monique LUBIN, SOC senator from the Landes, [criticised](#): *"You are making those who have been working for a long time in difficult and precarious jobs pay for your ideological reform. You do not ask for any compensation from employers."*

Éliane ASSASSI, CRCE senator from Seine-Saint-Denis [declared](#): "Your project is unfair, since it mainly penalises workers and employees, as well as women. The best paid employees will capitalise more for their retirement, while the vast majority will not benefit from the minimum pension. Older people, who will remain unemployed for longer, will be made extremely insecure. Your project will not be sustainable unless the financing software is changed. Other solutions exist, such as taxing the wealth of billionaires by 2%."

Catherine PERRET, Confederal Secretary of the Confédération Générale du Travail (CGT) in charge of pensions and social protection, [stated](#): "Workers must be able to approach retirement with a sufficient level of pension to live properly and at an age that allows them to enter this period of a new life, which is of economic and social utility, without incapacity."

Force Ouvrière (FO) [said](#): "€1,200 is barely above the poverty line set at €1,128. And to be able to "benefit" from this, the government makes it a condition that you have paid full contributions, i.e. that you have a full career. Moreover, this measure would only concern new retirees, whereas we know that 37 percent of retirees have a gross pension of less than €1,000 per month."

Davy RIMANE, NUPES deputy for Guyana, [asked](#): "How could this reform be applied to our territories where the majority of the population lives below the poverty line, where our reality is that of fragmented working lives, where a two-speed policy is already applied? Indeed, while civil servants benefit from a cost-of-living bonus, you refuse to increase the minimum wage paid to our people, whom you make more precarious. As soon as the law is drafted, you look up and ignore our history, our traditions and our realities."

Cyrielle CHATELAIN, EELV deputy for Isère, [deplored](#): "You claim to be extending the contribution period and raising the retirement age, but you offer nothing to women over 55, who are far from employment and who, because of you, will suffer unemployment and a discount. And you dare to talk about social progress! But for whom?"

Karen Erodi, NUPES deputy for Tarn, [regretted](#): "Yesterday, Minister Riester admitted: 'Women are penalised by the postponement of the legal age'. The impact study of your disastrous reform is clear: the increase in the retirement age will be double that of men. We women will have a lower pension, while our pensions are already 40 percent lower than those of men. Thus, postponing the legal retirement age by two years is tantamount to depriving women of twenty-four months' pension, i.e. a loss of 30,000 euros on the accumulated pension. Your reform is a reform against women."

Confédération Française de l'Encadrement - Confédération Générale des Cadres (CFE-CFC) [declared](#): "The CFE-CGC is totally opposed to this useless reform with serious consequences. It is necessary to promote the employment of older people and prevent professional wear and tear, solidarity mechanisms and the balance of the system."

The Association for the Taxation of Financial Transactions and Citizen Action (Attac) [said](#): "The government's reform is unfair and unjustified. It is going to weigh above all on the most precarious and the most poorly paid. There is no financial emergency. Attac supports another choice for society, one of emancipation, justice and solidarity: work less, all of us, to live better!"

Solidaires union [said](#): "We can, we must, derail this crazy train that is progressively destroying our social model and preventing us from fighting the climate catastrophe."



Greenpeace [commented](#): *"This unfair pension reform weighs on the most precarious categories, already the most vulnerable to climate change and the most exposed to environmental pollution. Also, this pension reform risks encouraging funded pensions, which are harmful to the climate, because they are supported by banks, insurers and investment funds that largely finance fossil fuels (oil, gas, coal)."*

[Odoxa opinion poll](#). *"52 percent of French people are opposed to the pension reform, 29 percent are in favour and 18 percent do not feel sufficiently informed to express an opinion". Also, "65 percent of French people support the 19 January movement". Following the first day of mobilisation by the unions, "6 out of 10 French people think that the government will have to modify or abandon its pension reform project".*

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