

# France faces fresh round of strikes over highly contested pension reforms

France faces another day of strikes on Wednesday over highly contested pension reforms which President Emmanuel Macron appears on the verge of pushing through despite months of protests.

As the legislation enters the final stretch in Parliament, trade unions are set to make another attempt to pressure the government and lawmakers into rejecting the proposed hike in the retirement age to 64. The last day of protests on Saturday saw a far lower turnout than in the previous rounds, while strikes from railway, refinery and public sector workers last week did not paralyse the country in the way that unions had hoped.

The most visible impact of the standoff so far has been the accumulation of rubbish in the streets of Paris, where garbage collectors and street cleaners have stopped work.

The main suspense is whether Macron's minority government can muster

the required number of votes in the lower parliament, where it will need the support of the opposition Republicans party (LR) in order to pass the legislation.

A joint vote from the lower National Assembly and the Senate could come as early as today.

Macron's flagship proposal would raise the minimum retirement age from its current level of 62 to 64, bringing France more into line with its EU neighbours, most of which have pushed back the retirement age to 65 or higher.

The law also hikes the requirements for a full pension and would abolish the retirement privileges enjoyed by some public-sector employees, such as those at the Paris Metro. After initially claiming it was intended to make the system fairer, the government now emphasises that it is about savings and avoiding deficits in the coming decades.

In a speech to MPs on



Tuesday, Prime Minister Elisabeth Borne insisted that there was a majority in Parliament for the changes, appealing to LR lawmakers who have long championed pension reform.

A vote in favour was "not support for the government", she said.

Analysts say this would

deprive her and Macron of democratic legitimacy in the face of hostile public opinion and would also expose the government to a confidence vote, which it might lose.

## Inflation hits record

Also, the record pace of inflation in the country in February was faster than

initially thought, keeping up pressure on the government and the European Central Bank to combat price increases.

Consumer prices jumped 7.3% from a year ago, the strongest surge for France in the history of the euro area. Statistics agency Insee had initially reported a 7.2% increase.



Mounted French police officers intervene during a protest by local council employees against the government's retirement reform as they hold a banner that reads, 'Do not touch my retirement', in front of the prefecture in Seine Saint-Denis, in Bobigny, a suburb of Paris, on March 14, 2023.

● THOMAS SAMSON/AFP

## UK unveils cost-of-living budget as mass strikes hit nation

Britain on Wednesday unveils a new cost-of-living budget, including more help on soaring energy bills, but the government is set to stand firm on rising public sector pay demands as the country endures a fresh wave of strikes.

Finance Minister Jeremy Hunt delivers his tax and spending plan to Parliament from 1230 GMT, as teachers, junior doctors, civil servants, BBC journalists and drivers on London's underground Tube railway stage the latest day of mass walkouts, AFP reported.

Public and private sector workers show little sign of ending strike action that began last year when rocketing inflation slashed the value of wages.

UK inflation remains at above 10%.

The government Wednesday said it would extend a subsidy on energy bills for a further three months after the military operation of Ukraine by oil and gas producer Russia sent them surging.

"Continuing to hold down energy bills is part of our plan to help hardworking families with the cost of living and halve inflation this year," Prime Minister Rishi Sunak said in a statement.

The Conservative administration has meanwhile flagged increased child-care funding and other proposals aimed at encouraging parents, the over-50s and others back into the jobs market.

It is looking to fill 1.1m

staff vacancies – in part caused by a lack of EU workers following Brexit and owing to a record number of people classed as long-term sick.

Chancellor of the Exchequer Hunt is expected to announce that workers can put more tax-free money into their private pensions, even if many will not have the disposable income to do so.

Britain's retirement age of 66 is set to increase before the end of the decade, meaning a longer wait to access the state pension. Private pensions are available at an earlier age.

As well as pay concerns, health staff are protesting against overwork brought on by labour shortages. Sunak's spokesman said the government wanted

to work with unions to achieve "fair and reasonable" pay rises.

"But we've been clear that we want to see strike action end before we do so." Hunt has insisted the government must keep a tight rein on spending after debt jumped during the height of the COVID pandemic.

The National Education Union on Wednesday threatened to step up action should the government fail to put "money on the table".

"Shamefully, ministers don't seem interested in giving their own employees a fair pay rise to help them through the cost-of-living crisis and beyond," it added as schools shut across the country.

Other budget plans already announced include an ex-



● ISABEL INFANTES / AFP

tra £5b (\$6.1 b) on defence over the next two years, focused on nuclear resilience and replenishing depleted ammunition stocks.

Britain has also announced a 20-year plan to capture carbon and commit to nuclear energy as it strengthens energy supplies and seeks a net zero economy by mid-century.

## NEWS IN BRIEF

### China's economy shows gradual recovery

REUTERS – China's economic activity picked up in the first two months of 2023 as consumption and infrastructure investment drove recovery from pandemic disruption, despite challenges of weak global demand and a persistent downturn in the property sector.

China's abandonment of COVID-19 controls late in 2022 has reinvigorated an \$18 trillion economy that has suffered one of its lowest growth rates in nearly half a century, with analysts expecting momentum to improve further in coming months.

### Hundreds of Google workers walked out



BUSINESS INSIDER – Hundreds of Google workers walked out of its Zurich office Wednesday in protest over mass layoffs that resulted in about 200 people losing their jobs in Switzerland.

The IT union Syndicom, which represents some Google employees, announced the walkout in a blog post, saying employees called on the company to "engage in dialogue with workers to thoroughly and seriously examine alternatives to layoffs."

### TikTok considers splitting from ByteDance



BLOOMBERG – TikTok's leadership is discussing the possibility of separating from ByteDance Ltd., its Chinese parent company, to help address concerns about national security risks.

A divestiture, which could result in a sale or initial public offering, is considered a last resort, to be pursued only if the company's existing proposal with national security officials doesn't get approved, sources said. Even then, the Chinese government would have to agree to such a transaction, the people said.

## Stability, the condition of economic cooperation in West Asia



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### EXCLUSIVE

The Iran-Saudi Arabia agreement, brokered by China, to normalize relations is of great importance. The fact that most countries welcomed this move shows its significance. Most analysts emphasize the security and political consequences of the deal, however, the normalization of bilateral ties seems to have positive effects on the economic field for both states as well as the Persian Gulf region and West Asia.

The West Asian region is considered one of the most important security and economic regions due to its geopolitical location and the availability of energy as well as the large consumption market. However, unlike other areas such as East Asia or Europe, the region lacks major economic cooperation or key economic pacts. On the other hand, in the absence of large and systematic economic cooperation between the countries of the region, the transregional powers fill this void, reaping significant benefits. This is largely due to conflicts among the regional countries and the occurrence of persistent instabilities, which have ruled

out the possibility of convergence and economic cooperation at the regional level and in the form of large agreements.

By provoking the disputes among the regional countries, some transregional powers also fuel instabilities, making the states spend their capacities and funds on astronomical purchases of military equipment.

As two big powers in the region, Iran and Saudi Arabia can play a key role in shaping the region's outlook. And the more the range of tensions between the two increases, the negative consequences may affect other countries in addition to Tehran and Riyadh. As the

ramification of the conflict is evident in the situation of Yemen, Iraq, Syria and Lebanon today, and in the absence of stable governments in these countries, their economic condition is also not satisfying.

Now, with the Saudi-Iranian rapprochement, it is expected that a large part of the differences leading to instability in the region will change direction, providing the ground for more political and security cooperation.

Facilitating the situation for establishing security and stability in the region is the main passage to economic cooperation and even the conclusion of regional economic agreements.