Report from Paris by Christine Bierre

Truckers strike paralyzes country

Overshadowing the cutthroat competition that led to the third strike in four years, is the deregulation under Maastricht.

The truckers strike which has paralyzed France since Nov. 3, blocking most of the oil and food distribution throughout the country as well as the main factories, illustrates the acute problems provoked by the deregulation of markets linked to the Maastricht process. Competition in the transportation sector has been so ferocious in recent years, that French truckers work an average of 240-250 hours per month for an average pay of $1,400, far below the minimum wage.

Are the employers keeping all the money for themselves? No. The cutthroat competition has left trucking companies settling for profit margins of barely 1-2%. Who has anything to gain from this brutal business jungle? Who is calling the shots on both employers and drivers? In this case, it is the clients, transporting goods, who have been playing one company against the other, forcing transportation prices down by 30% in a matter of a few years.

Even though the French trucking industry had many structural problems going back to the early post-war years (mainly many tiny one-man companies and very little unionization), it is the deregulation started under President François Mitterrand which has led to today's acute problems. In 1985, Mitterrand abolished the Oligatory Highway Tariff (TRO), which had regulated trucking since the end of the war, by fixing a price per kilometer of transportation and enabling the state to set the framework for regulating the profession.

The result was a huge growth in the number of trucking companies, some 1,000 additional companies each year over 1986-96. Today, 22,600 companies employing 247,600 workers are competing for a market that is dwindling because of the economic crisis. Now, competition has sparked a dramatic drop in transportation prices and, hence, profit margins.

Three major conflicts have occurred since then, in 1993, 1996, and the present one, to try to correct this situation. Each time, the truckers won some gains from the companies and the state, but most never became reality. Rage over broken promises—notably the refusal by employers to pay a 3,000 francs bonus which they agreed to after last year's conflict—has added to the terrible working conditions. At the core of this year's strike is the demand that wages be raised to a minimum $2,000 per month for a maximum of 200 hours work by the year 2000. Drivers are also demanding that the 3,000 francs bonus be paid.

The demand is far from unreasonable. The problem, however, is that the employers are also squeezed by the deregulation imposed by the Maastricht Treaty. How can they increase wages by 30%, when profits are at historic lows, and when, in 1998, the European Union will deregulate all transport, allowing drivers and companies from any EU country to operate directly in France? Industry competition in France will become even worse, since French social laws are generally stronger than in other European countries, keeping prices higher. Under the circumstances, the common interest of truckers and companies becomes clear: to fight deregulation and the Maastricht system.

The government, however, is in a tough bind. The Socialist government of Prime Minister Lionel Jospin immediately sided with the drivers, who have strong popular support, and intervened to find a rapid solution for this potentially tremendously costly conflict.

The strike gave Jospin the opportunity to strike back at the national employers association, the CNPF, which last month decided to boycott the government's 35-hour work week legislation aimed at fighting unemployment. This conflict between the government and the CNPF, had repercussions in the trucking conflict. The UFT, the CNPF affiliate representing 80% of the trucking companies, played hard-ball from the very start, boycotting much of the negotiations. The Jospin government responded by sending Communist Transport Minister Jean Claude Gayssot, to fraternize with the strikers at the blockade points. But, the government has also proposed a series of tax reductions for the trucking companies, on condition that they use those reductions to increase wages. The government will also introduce a bill into the National Assembly to tighten controls and sanctions against companies that violate the legislation on wages and on working hours.

However, as full deregulation hits the European market in 1998, the effect of these rearguard measures will rapidly disappear as Maastricht-driven competition leads to more bankruptcies and more unemployment. The left-wing "realist" Jospin will have to realize then, that, unless he takes on the financial markets and the neo-liberal Maastricht Treaty, his government will be reduced to being the Lady Do Rightly in a brutal order run by the global financial oligarchy to loot the world's populations.