

# France's Once-Vaunted Trains Are Macron's Biggest Challenge Yet

Striking workers, massive debt, service disruptions, unused stations—the rail system has it all

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Emmanuel Macron waves from a TGV high-speed train. *Photographer: AFP via Getty Images*

The long, empty platform of the TGV station in eastern France offers a vista of rapeseed fields stretching out as far as the eye can see. Not a sound troubles the pastoral scene on a cold, gray February morning. Then a train from Paris pulls in with a whoosh. About 30 people disembark and head to the parking lot. In five minutes, the platform is empty again.

This happens 13 times a day at most, meaning that this stop in the Meuse region is used barely 90 minutes a day. Most passengers take the high-speed trains on to Strasbourg in

Alsace, and beyond. Fewer passengers get on and off at these platforms each year than the Paris Metro carries in an hour.



The Meuse TGV station. Photographer: Ania Nussbaum/Bloomberg.

Underused stations on expensive tracks are one of the many reasons France's vaunted rail system is insolvent, subsisting on life support from the state. Rail operator SNCF runs an annual deficit of 3 billion euros despite receiving 14 billion euros of public subsidies annually—just under half the defense budget. Its debt, at 45 billion euros, equals the national debt of New Zealand.

Worse, long-term traffic numbers suggest that trains are losing market share to airlines and buses, while major rail-service disruptions are riling passengers with increasing frequency.

“For 30 years we have shied away from making the necessary transformation of SNCF and for 30 years we’ve seen the service deteriorate,” Finance Minister Bruno Le Maire said last week. “We can’t go on like this. We’re going into the wall.”

Fixing SNCF, created in 1938 and called by the French initials for national rail company, has bedeviled France's leaders for decades. President Emmanuel Macron has vowed to succeed where others have failed. Since taking office nine months ago, he's pushed through a landmark labor reform, slashed taxes on business and investment and initiated overhauls of policies in areas ranging from education to immigration. With the rail system, the 40-year-

old president may face his biggest challenge yet—one that will set the tone for whether he can accomplish the rest of his agenda as well.



SNCF workers block a TGV high-speed train on Nov. 27, 1995. Photographer: Marcel Mochet/AFP via Getty Images

SNCF's problems span people, places and politics. Its strike-prone workers have a special status, including being able to retire at as young as 52, and they have jobs for life barring gross misconduct. For decades, politicians have shied away from taking privileges away from those public-sector employees, represented by unions that forced much of France to grind to a halt for three weeks in November 1995.

Local officials say they won't stand for line or station closings. And politicians have been hesitant to tackle a point of national pride. When then-President Jacques Chirac inaugurated the TGV line connecting Paris and Mediterranean cities in 2001, he put it this way: "For all the French people, and for rail workers, it's a matter of pride and an instrument for our national cohesion."

“The TGV is a beautiful symbol,” said Francois Ecalle, head of the Fipeco public finances institute. “It’s shop-window politics and every mayor wants his own high-speed train stop. But these trains are not made to stop every 30 kilometers. That actually defeats the purpose.”

Following the publication of a sweeping report that he commissioned, Prime Minister Edouard Philippe said that he intends to scrap the special status for all rail workers hired from now on, though SNCF’s existing employees wouldn’t be stripped of those rights. That and other proposed reforms will be presented to the cabinet on March 14. The government will then ask for parliamentary approval to make the changes by executive order by midyear, after talks with unions and passenger groups.

Finance Minister Le Maire has reiterated that if losses are eliminated and performance restored, the state is ready to assume part of SNCF’s debt some time before the next election in 2022. Taking on all SNCF borrowings would lift French government debt to almost 100 percent of economic output, from about 97 percent currently.

Philippe Martinez, head of the CGT union, vows to defend the special privileges for rail workers and denounced the government’s “campaign of lies.” A month-long strike is scheduled to start March 22.

“Rail workers are badly paid,” Martinez said last week. “I challenge anyone to say that the problems of SNCF—trains that are late, or canceled, lines that are badly maintained—are the result of the status of the rail workers.”

### **SNCF by the Numbers**