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Business

**With French down on strikes, Macron reforms get easier ride**

Turnout for rallies to protest economic reforms down sharply

PARIS: There was a time when angry French workers could down tools and take to the streets en masse to force ministers to back down. Things have changed, making President Emmanuel Macron’s job of pushing through labor reforms that much easier.

Barely 20,000 attended one Paris rally on Tuesday to protest against the reforms, a fraction of the hundreds of thousands who went on strike in the heyday of French industrial action freezing activity in swathes of the economy. French strikes are not what they used to be, reflecting a cooling in national attitude to union militancy plus a change in approach by Macron who flagged his reforms well in advance to union leaders who have in turn seen their powers decline. This means the 39-year-old who started as an investment banker has the best opportunity in generations to overhaul France’s labor laws in his strategy to invigorate the EU’s second-largest economy.

“Fundamentally it is not a very strike-prone country anymore,” said Bob Hanke, a labor relations expert at the London School of Economics. “In the mid-1990s, the joke was practically everyone had been a trade union member but no one ever stayed.”

In 2015, companies in France lost 69 days to strikes per 1,000 workers. That was barely a fifth of what it was in the late 1990s and a far cry from the 1,900 days lost to strikes per 1,000 workers in the late 1980s. The decline has accelerated since conservative President Nicolas Sarkozy passed a law in 2007 banning wildcat walkouts and forcing public transport unions to guarantee a minimum service during the strikes. While it is possible that protests will gain momentum when Macron unleashes more hard-hitting reforms over the next year, including changes to unemployment benefits and pensions, things have so far played in his favor.

Shift in power

Unionists and labor experts interviewed for this story said one critical factor is that big, nationwide strikes have achieved little for the average worker in the past two decades. “Governments eventually realized they could just force things through,” said Stephanie Sirot, a professor at the Cergy-Pontoise university. An important point came in 2003, when a mass public-sector protest against pension reform failed to convince the government to budge, he said.

The last significant nationwide success enjoyed by unions was in 1995, when weeks of protests, also over pensions reform, virtually brought the economy to a halt. Since those strikes, which forced newly elected President Jacques Chirac to yield, major standoffs with successive governments have had mixed results.

“That’s the main difficulty for unions,” said Sirot. “They don’t win anymore.” Taking part in a march in Paris against Macron’s reforms on Tuesday, Sarah, an activist for 20 years in the Sud Nettoyage cleaners’ union, said it on principle rather than out of any real hope that the rally would convince the government to change course. Tuesday’s strike shut down some French schools and led to about a third of flights being cancelled at some airports but overall disruption was minimal. A lack of unity among unions also dented protests against Macron’s reforms, with many voters saying they believe the changes are vital to restore the health of the French economy.

**Deutsche Telekom premiers Europe’s first 5G antennas**

BERLIN: Deutsche Telekom tested Europe’s first ultra-high speed 5G antennas in a real world setting yesterday, a milestone in the race to provide the fast response times needed for virtual reality and autonomous driving. Europe’s biggest telecoms provider said showed it was ready for a global launch of the technology in 2020 but it still leaves the continent lagging behind South Korea and Japan.

Telekom said it was the first use of the technology in a real world setting in Europe, with speeds of more than 2 gigabits per second to a customer device, as well as a latency of 3 milliseconds on commercial sites. 5G networks, which are expected to provide speeds 10 to 100 times faster than today’s 4G networks, should remove one of the main obstacles to virtual and augmented reality, which need fast response times to stop users feeling queasy. “This is a very decisive developmental step on the way to the global launch of 5G, which is planned for 2020,” Telekom board member Claudia Nemat told an event in Berlin. “5G is so important for digitization and for the economy.” — Reuters

**Kobe Steel CEO warns of deepening quality scandal**

TOKYO: The head of Japan’s Kobe Steel warned yesterday that a quality control scandal engulfing his firm was likely to widen at home and abroad, as he acknowledged that trust in the steelmaker has “fallen to zero.”

The comments came as a growing list of customers, including major automakers Toyota, Nissan and Honda, scramble to assess the safety of vehicles containing products supplied by the company, which has admitted falsifying quality data for products sold to some 200 clients.

The head of Japan’s number three steelmaker said yesterday that his firm was checking with more Japanese clients as well as foreign buyers including General Motors.

“We deeply apologise,” Hiroya Kawasaki told a press briefing as he bowed deeply—a common act of contrition for Japanese executives. “Trust in Kobe Steel has fallen to zero.”

There were more “suspicious cases” that could hike the number of affected products, he added.

“There’s a possibility that there will be new cases of wrongdoing,” Kawasaki said. Kobe Steel’s stock plunged by about 40 percent this week after the manufacturer on Sunday first admitted falsifying data linked to the strength and quality of products, a practice that may have started a decade ago.

It is the latest in a string of quality control and governance scandals to hit major Japanese businesses in recent years, undermining the country’s reputation for quality. The affected products include aluminium found in Japan’s iconic bullet trains as well as materials in high-speed trains in Britain, although it is not clear whether the scandal affected product safety.

Japan’s industry ministry has pressed Kobe Steel to work with its clients, spread over a wide range of industries, to conduct urgent safety analyses. On Wednesday, the firm admitted that it was in talks with one client who received steel powder that did not match specifications.

However, it declined to comment on a media report that materials used in semiconductors were also impacted by the scandal. Toyota has already said Kobe Steel supplied materials to one of its Japanese factories, which used them in hoods, rear doors and surrounding areas of certain vehicles. — AFP