

France's New Leaders Ignore Popular Mandate To Reject Globalization

by Christine Bierre

Friedrich Schiller, the great poet and Republican of the 18th Century, said that three elements are necessary to make world-historical changes: the right historical moment, ideas of universal import, and world-historical personalities with the courage to brave opposition in order to carry them out.

On May 29, the French population rose to the occasion, and on a silver platter, served its leaders the historical context for making sweeping changes for the better. The resounding “no” to the European Constitutional Treaty, after months of intense political debate, gave President Jacques Chirac a golden opportunity to announce fundamental changes in the economic policies adopted by France and the European Union, since the turn toward free-market globalization, away from the FDR-inspired Bretton Woods system of the post-war era.

After emergency consultations with Germany, Italy, and Belgium, all plunged into similar crisis, Chirac could have stated to the nation something of this sort: “The policies of the European Union’s Maastricht Treaty of 1992 and of the Amsterdam treaty of 1994 with its Stability Pact addendum, have led our nation into unending decline; our population to massive impoverishment. I have therefore taken the decision to reverse those policies, and to adopt once again the main thrust of the policies of the post-war reconstruction which had allowed for 30 years of stable growth and development for all, until 1974.” And the majority of the French population would have supported him.

The Last Handouts of a Dying System

Instead, that great historical opportunity found small men in the ruling elites, with neither the competence nor the courage to take on the necessary sweeping changes. Chirac reshuffled his government on May 31, replacing Prime Minister Jean Pierre Raffarin with Dominique de Villepin, who is known as an opponent of free-market liberalism. But there was a pathetic element in de Villepin’s inaugural policy speech to the National Assembly on June 8.

Although in recent months, the French elites have debated the necessity for the state to support a policy of strong industrial renewal, to stop the sharp decline of French industry, de Villepin chose instead to favor investments in the service sector, in order to “respond to the need to reinforce the social element, notably among families, the elderly, and the handi-



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New Prime Minister Dominique de Villepin has the opportunity to reverse France’s disastrous course; but so far, he has blown it.

capped.” This refers to the yet-to-be-adopted plan, proposed by Social Affairs Minister Jean Louis Borloo, for 500,000 service jobs in people’s homes.

The second area in which de Villepin chose to promote job creation, is in the small business sector. There are 2,600,000 such companies, 1 million of which employ up to nine workers, while the others have no employees at all. De Villepin announced measures to induce these companies to hire more employees by reducing the government bureaucracy involved in job creation, paying the social benefit charges companies have to pay, after the 10th employee, and making a “more flexible” employment contract offered by the government. In this last category, for example, the trial period after which a worker can be fired without penalties to the employer, will be extended from the present 1-to-3 months, to 2 years, and the fired worker will receive higher unemployment pay and training for another job.

The third axis of the new government plan is directed at the 20% youth unemployment rate. Although de Villepin expressed distress at this situation, he was unable to come up with anything more challenging than state-subsidized jobs for 100,000 youth in the Administration and within associations. From now to September, de Villepin declared, 57,000 youth,

who have been unemployed for more than a year, will be offered a job by the unemployment offices, and 20,000 youth with no diplomas and particularly difficult situations, will be offered national defense jobs, including training programs.

In coherence with U.S. Federal Reserve Chairman Alan Greenspan's statements that "we have promised too much to the seniors," the Villepin plan also clears the way for those over 50 to come back to work. The Administration will be eliminating age limits for employment, along with special taxes which discourage their employment.

What happened, then, to the more ambitious proposals raised in the aftermath of the "no" vote, which plunged the country into crisis? From within the present right-wing government majority, a group around Jean-Louis Debré, president of the National Assembly and son of President Charles de Gaulle's Prime Minister, Michel Debré, as well as Deputy Patrick Ollier, called for massive public investments in the area of infrastructure. This would require that the government violate some of the rules of the Maastricht Treaty and the Stability Pact, such as limits to state indebtedness and deficits, and proscriptions against public works.

The daily *Le Monde* also referred to a call by Social Affairs Minister Borloo for rapid Franco-German action to solve the economic crisis on both sides of the Rhine. "A joint initiative could indeed be one of the major axes of the economic policies of Dominique de Villepin," stated *Le Monde*. "The idea is progressing rapidly. Its content to be determined. Will it be grand public investments as M. Debré is calling for, or rather initiatives for exports, innovations, research or perhaps social and fiscal reforms?"

The only type of idea like this in de Villepin's speech is a general commitment to create the Agency for Industrial Innovation, as proposed by Jean Louis Beffa, CEO of St. Gobain, one of the top French multinationals, with a capital of 500 million euros. But of the list of projects proposed by Beffa for joint public/private R&D efforts, de Villepin chose to name the least advanced technologies, such as solar energy and biofuels, instead of the fourth-generation nuclear reactors and the hydrogen combustion engine, where France is a research leader.

De Villepin called for this initiative to be open to other European countries, in particular Germany, and said that France intends to increase its R&D effort to 3% of the GDP.

Why didn't de Villepin adopt Debré's and Ollier's demands for deficit spending to launch great projects? Because of massive blackmail by the heads of the Finance Commissions of the Senate and the National Assembly, according to the daily *Libération* June 9. *Libération* reported that after two days of lobbying by Debré and Ollier for their program, Pierre Mehaignerie, president of the National Assembly's Finance Commission, and Philippe Marini, secretary of the Senate Finance Committee, met with de Villepin and threatened that if he circumvented the Stability Pact, he would face "political consequences."

Specifically, these elitists stated, according to a participant in the meeting, that they would oppose him in the vote-of-confidence de Villepin planned after his speech, thus provoking a full-fledged crisis in the new government. De Villepin therefore decided to stick with the Stability Pact constraints, and raise money for his program from privatizations and ending Chirac's policy of tax reduction for the wealthier.

The False vs. the Real French Model

Although we had hoped that de Villepin, the great challenger of the Iraq war at the United Nations, would wage a more courageous fight against the European bureaucracy, we had also expected him to have a better knowledge of the French social model which his program purports to defend. That model is not the neo-liberal turn in France in 1983, which created massive unemployment and poverty, and then called on the state to develop the kinds of charity policies to keep people busy, consuming—and not protesting. That view makes the state into a lady-do-rightly against the injustices provoked by the oligarchical neo-liberal system.

The *real* French model follows the dirigist Jean Baptiste Colbert (1619-1683), whose system was revived in the New-Deal-inspired post-war years and during de Gaulle's reconstruction boom. At the heart of the Colbertist system was the Academy of Sciences, which oriented research towards the great scientific and technological programs necessary for the advancement of the nation. Man must take care only of the greatest works, stated Colbert, who in 10 years made France the most industrialized nation of Europe. Colbert fought to educate people, and to pay them high wages, and even social security, because, he said, a good wage-earner is a person who pays the taxes needed by the state to promote the public good. At the heart of the Colbertist system are productive jobs, by which man transforms nature, producing real wealth, not administrative or service jobs.

This is the same cultural matrix that animated de Gaulle's *Force de Frappe*, the independent nuclear deterrent, as well as the civilian nuclear and space programs.

At this point, the strong message sent by the population to the French elites has gone totally unheeded, both by the present government majority, as well as by the Socialist Party. The Socialists responded to the "no" vote by purging from leadership those who fought for the "no" vote, like their vice president, Laurent Fabius, who had chosen to defend the population against the financiers now running the European economies. In the left wing, however, some are calling for a recomposition of the entire left, founded on policies that reject the neo-liberal turn of 1983.

The LaRouche cothinkers in France, led by Jacques Cheminade, will be working to make sure that this time, a population enraged at its small-minded leadership, orients towards a positive perspective of economic reconstruction for the Europe and the Eurasian continent, instead of an impotent response of Jacobin rebellion.