

**THE FRENCH LEFT
AND
MITTERRAND'S PRESIDENCY
(1981-1995)**

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CERTIFICATE

This is to certify that the dissertation entitled “**The French Left and Mitterrand’s Presidency (1981-1995)**”, submitted by **Mr. Kumar Dhananjay** is his own work and has not been submitted to any other University or institution or for any other diploma or degree.

We recommend that this dissertation may be placed before the examiners for evaluation.

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Preface

In 1981, France witnessed a significant change. In a reverse swing to the, general trend in Western Europe, Francois Mitterrand, a socialist, assumed power in France. He ruled France for full fourteen years. It proved an extraordinary period in modern French history. The entire Left, including the Communists, formed the first socialist government in the Fifth Republic. The promise to “break with capitalism” for a left “politics of real change” carried credibility since the French Left had escaped the taints of being in power during the post-war economic boom. The government of the Left embarked on its stated programme only to make a u-turn in a year’s time. And then on it gradually went on compromising on its agenda accepting the supremacy of market economy. The Communists left the government in 1984 accusing its socialist allies of betraying the Left’s programme. The rule of the first socialist government ended in 1986. The Centre-Right alliance emerged victorious in the 1986 National Assembly elections and made a comeback to power, and with that a hypothetical situation called cohabitation turned into reality. The two ideological rivals, theoretically, survived together in the office, making compromises. Mitterrand won second term as well, and in the fourteen years of his presidency the socialists and the conservatives alternated.

This study is about the emergence of the Socialist Party as a party of government, its ideological shift to social-democracy, the decline of the Communist Party during Mitterrand’s presidency, the emergence of the new social trends ranging from Greens to the racist National Front as a failure of the Left to address the social issues. Above all, how Mitterrand era left an indelible mark on the French politics, policies, and the Left movement in France.

I would like to acknowledge the guidance that I received from my supervisor Prof. B. Vivekanandan. He was an immense help with his ideas in formulating the basic questions of this study. He also went through the chapters meticulously and suggested vital changes.

I owe a great deal to my parents for their continuous support and encouragement in my academic pursuit which helped me sail through this work. I owe a special thank to my brother who never lost his faith in me and fuelled ambitions within me. I would like to thank both my sisters and my Bhabhi for their support, Sona and Chandan whose innocent smiles always filled me with freshness while writing this dissertation.

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And Martyr Chandrashekhar who left me with a sense of doing something worthwhile for the people who he loved most

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INTRODUCTION

Francois Mitterrand's election to the presidency was made known on 10 May 1981. For thousands of people, that was an event for celebration, which duly took place at the Bastille.¹

This was a time of turning of tides not only in European politics, but also in the history of the Left in Europe. Throughout the period of the economic crisis of the 70s, while socialists had been in power in different European countries, France had seen the rule of the Right for twenty-three years consecutively. The *fete populaire* at the Bastille after Mitterrand's victory was a celebration of the unexpected. This was an unexpected victory, because there had been a steady ideological, intellectual and political movement to the Right, following the post-74 economic crises of advanced industrial societies. The Welfare State was being criticised for its inefficiency and its effect on the work ethic. "The terms of the post war social compromise around consumerist economic growth, employment security, the Welfare State and Keynesian macroeconomic intervention had begun to unravel".²

The trials of these times were also worsened with international economic constraints. As a consequence, the only political vocabulary available was that of the sophisticated economic neoliberalism, and that of the

¹ George Ross, Introduction, , George Ross, Stanley Hoffmann, Sylvia Malzacher, eds. *The Mitterrand Experiment, Continuity and Change in Modern France*, Oxford Polity Press, 1987, p. 3

² Ibid. p. 4.

not-so-sophisticated “New Right”. While this was the predominant temper, the protagonists of the story of the Left were divided over fundamental ideological questions of social democracy. The French left had experienced the debate in the classical form that is expressed with the social democrats arguing that the purists had never experienced power, and the further Left arguing that social democracy had been the catalyst in maintaining the post-war compromise, and had therefore forsaken the agenda of transcending capitalism. - But in due course, the French left denounced this division, and claimed to have transcended it, and declared that they would never replicate the social democratic political pattern in France. Thus, for the international Left, it was a time to watch with rapt attention the developments which would answer the historical questions that the left has always been concerned with – whether social democracy was the only option, or whether the main players of the French left were actually on the road to fashioning a “politics of real change”.³

In this context, it is not difficult to imagine the surprised euphoria of the French people. For them, the new government with Mitterrand at the helm of affairs presented a cause for optimism about a better economic and social life, especially since the statements of the Socialist-Communist Common Program promised change which had not been witnessed in advanced industrial societies before.

Francois Mitterrand was President for a long and eventful fourteen years – from 1981 to 1995 – and was also a part of the paradox characterised by the cohabitation of a conservative government under a socialist president for the period from 1986 to 1988. What began as a celebration of hope for a better future was to metamorphose into something

³ Ibid. p 4.

different, something not unpredictable in terms of the stories of social democracy elsewhere in Europe. The crisis of his governance was mirrored in the victory of the Conservatives under Jacques Chirac. The electorate, which had celebrated his presidency now, had made a different choice, to produce the strange paradox of 1986-88. His presidency is therefore a crucial period in modern French political history, and also holds much importance for the course of the French Left, within the larger narrative of the nature and future of left politics within Europe.

In this dissertation, I shall attempt to examine the political importance of Mitterrand's presidency – in particular for the future course of the French Left - and study the policies and programs of *Partie Socialiste* and the *Partie Communiste de France* with the aim of analysing their continuities and departures from the policies of the previous conservative governments. I shall also try to inquire into the reasons for Mitterrand's long stint in power, and shall try to analyse this period (1981-1995) in the context of the debate between the Social Democrats and the Left. This dissertation shall try to argue that Mitterrand's entire presidency was in keeping with the trend of social democracy the world over, and displayed continuity rather than any marked shift in its policies address and programs. Besides, Mitterrand's era has left an indelible mark on French politics, policies and on the Left movement in France. In fact, It can be argued that, as a result of his experiment, the Socialists and the Communists' programs underwent a social democratic shift.

In this analysis of the Mitterrand phenomenon in France many questions arise. It is important to ask how the changes in the attitude of the French electorate between 1981 and 1985 might be interpreted and analysed. The first nine months of his presidency were largely preoccupied with large-

scale nationalisation programs, with the nationalisation of banks, and the complete takeover of the shares of six major industrial parent companies, and of partial holdings in others. The perspective of the ruling socialists on the matter was that if private capital and industry were not the agents of changes in and progress of the French economy, then nationalisation would make possible direct investment, and rescue the French economy for international competitiveness. This, in retrospect, seems a direct response to the state of affairs when the Mitterrand government came to power, and had to take up from where the previous Rightwing government had left off, with a massive inflation rate of 13%, and staggeringly large numbers of the unemployed. The task of salvaging a nearly ruined economy fell to the socialist government. Thus, the belief that harmonious industrial relations, and the boosting of the domestic market with indigenous goods was an analysis which further manifested itself in legislations on workers' rights, and implicit spaces for trade unions etc (Jean Aroux, Minister for Labour, who came out with 4 legislative texts on April 1982 to reform and decentralise industrial relations) - and quite often with very positive results, not merely for "industrial relations", but apparently also for workers' rights. The government had actually sought to replace confrontation by co-operation, which was little other than dissolution of the essentially conflictual nature of the worker-employer relationship. Similar, apparently radically different, reforms were carried out in the areas of social security, education, health etc. Protectionist measures were also undertaken to safeguard the interests of the domestic market. But gradually, these measures sent out their repercussions in the form of direct economic consequences, with reflation backfiring as trade deficit, and a slowed rate of growth. This had resulted in the devaluation of the Franc, and the mood among the socialist government was that of putting the brakes on the whole spate of reforms, and instituting rollbacks on public spending. As one writer put it, "Keynesianism in one country' proved

unworkable at a moment when the rest of the advanced industrial democratic world, led by the United States was assiduously deflating.”⁴ This clearly had significant political consequences for the socialist government, since they interpreted the economic situation in terms of the victory of the dynamics of the market, and made policies accordingly. This transformation of policies which could have been in the interest of any kind of Centre and Right happened in an atmosphere of repeated attacks on the Left by the conservative opposition, and by a baffling lack of participation of the intelligentsia. The growing strength of the extreme Right, as a result, articulated itself with heavy anti-immigrant sentiment. Given the complex nature of the electorate which first brought the Mitterrand government into power – where the disenchanted middle class had voted the socialists with a sense of wanting a change, and not necessarily on the basis of principled political persuasion – the working class enthusiasm was shattered, and according to Gross, with middle class support.⁵ The range of expectations from the new socialist government, and the social groups behind these aspirations and expectations were a test of the strength of the socialists’ programme. With the worsening condition of the French economy, many sections of those who had voted the socialists came out in protest against government policies – and this included car-workers, steel-workers, coal-miners, dockers, university lecturers, teachers, civil servants and doctors.⁶ Later, when Laurent Fabius replaced Pierre Mauroy as Prime Minister, the Communists quit the alliance, and left a serious vacuum where debating policies ideologically was concerned. This naturally “gave way to the more moderate language of social reform while the government began to proclaim the virtues of economic efficiency. At the same time, in the local elections of 1982 and 1983, the Right wing made

⁴ Ibid. p. 11.

⁵ Ibid. p 12.

⁶ Sonia Mazey, Introduction to *Mitterrand's France*, Sonia Mazey, Michael Newman, eds., Croom and Helm, London, New York, 1987, p 4.

significant inroads into Left strongholds.⁷ And so, it is not surprising, that the French parliamentary election in 1986 saw the victory of a right wing government under Jacques Chirac. After this, Mitterrand remained President till 1995, and parliamentary majority alternated between the Socialists and the conservatives.

In the light of this background, it is pertinent to ask to what extent the socialist government was able to implement its stated policies and whether - if at all - there was continuity, and on what grounds, - between the policies of the Mitterrand government and its Conservative predecessors. The first chapter of this dissertation contextualises the success of the socialists in the presidential elections of 1981, and describes the policies it tried to implement when it came to power. This chapter also gives a brief account of the difficulties faced by the socialist government in doing so, and its consequent progress towards a historically almost typical shift towards social democratic principles, manifest in its belief in the market as one of the roads towards progress, its public admittance of the failure of the reforms, and open advocacy of implementation of “rigour” in the economy. After an examination of the policy changes signifying this shift, it also analyses the causal background for Jacques Chirac’s victory, and the reasons for the disappointments of the electorate. This chapter has also addressed the issue of the congruences and differences between the two streams of politics – the socialists and their conservative predecessors – with an analysis of the policies and programs of their respective governments.

The importance of the Mitterrand regime can also be understood in terms of its tactics vis a vis the right wing in parliament in the years 1986-88. It is interesting to examine the nature of the socialists’ engagement with

⁷ Ibid. p 4.

its opponents when in office with a diametrically opposed political force. The most crucial question to be asked here is whether the socialists, in this climate of ideological, political and electoral opposition, maintained their programmatic purity. This in itself is a crucial question, if one is to discern a pattern of the Left's move towards social democracy in the face of growing market forces, and the impending threat of right wing takeover. In this case as well, -during Mitterrand's governance in the years with Chirac as the Prime Minister, - the socialist agenda seemed to be in a state of flux. In the second chapter of this dissertation, I have examined the dynamics of the "cohabitation" phenomenon. While this was not an unfamiliar concept in terms of political imagination during the Fifth Republic, it happened for the first time in 1986. It is a period which seems to have been characterised by both the Left and the Right carefully skirting issues absolutely fundamental to the lives of the French people, and there was a complete lack of polemics, and debates at the level of ideology simply took a backseat. This was a unique phenomenon where the Centre-Right coalition won with a very slim margin, and the Socialists still constituted the largest political party in France. The term "cohabitation" suggests that the socialist and the right were in power only incidentally, by a twist of fate. But this was not the case, and both the parties involved wanted this situation to work for shrewd tactical reasons. Mitterrand knew only too well that in the event of another election, public opinion would abide by its choice, and so he wanted to use the next two years in regaining his popularity and the favourable opinion of the French people by appearing to be the force contrasting the conservative Right. He knew that this was historically a time when the Right could not escape making harsh policy decisions, and he viewed it as the only opportunity to appear to the French people as the 'pro-people' messiah who would rescue them again. This was a shrewd tactic, since Chirac had only two years to prove himself. This chapter shall describe and analyse this unique political phenomenon and

examine the effects this had on the political agenda of the socialists. I shall also try to address the question whether, and to what extent the Conservative governments during Mitterrand's presidency were responsible for eroding his socialist agenda.

In order to gain an insight into the dynamics of the Socialist-Communist alliance, it is important to view the debates between the two as part of the processes determining the course of the history of the Left the world over. The nature of the conflicts between these two forces has been a necessary component of the emerging responses to questions of governance and people's rights in the context of the "spectre" of capitalism. The French Left in these years seems to have run the whole gamut of debates, and their coming together and eventually departing – a relationship that consistently blew hot and cold – is a classic case of the conflictual relationship between social democratic and leftist politics. In the third chapter, I have analysed the background to the relationship between the Socialists and the Communists since the end of the De Gaulle era, and described the effect of this phase in the history on the French Left on its own course. With the help of data on elections I have examined the situation faced by the PCF at the end of the Mitterrand era. I have also tried to probe the question of the ideology – and its crisis – in terms of the shift of the Socialists from a party which promised much hope to the French people, to what can safely be termed a social democratic formation which finally gnawed on the possibilities of any genuine left assertion.

CHAPTER I

SOCIALISTS IN POWER

A Socialist president armed with his “110 propositions” and a National Assembly dominated by the Left, which had won 329 seats in the Parliamentary elections of June 1981, assumed office in France and a Left government began its first inning in the office. With that, the stage was set, as promised, for a shift from the “politics of possible “ to the “politics of real change”. The entire French Left, socialists and certainly communists had denounced meliorist social democracy and had disclaimed any intention of replicating it in France proposing instead “to break with capitalism”¹. The keyword of the socialist programme was “Le Changement”; French society was to be changed not simply at the margins but totally. The declared intention of the socialist government in 1981 was the creation of a more democratic society, characterised throughout by egalitarianism, citizen participation and a new partnership with the state². At the heart of the socialist programme was economic policy to reduce unemployment and the economy revived by a bold reflationary strategy, extension of the public sector and the resurrection of economic planning³. Government’s initial policy was “redistributive keynesianism”. Economic expansion was to be stimulated by government investment and that it would provide employment for jobless, therefore increasing purchasing power of the mass and hence providing domestic markets for French products⁴. This was to be accompanied by

¹ George Ross, Stanley Hoffmann and Sylvia MalzaCher eds., *The Mitterrand Experiment, Continuity and Change in Modern France*, Polity Press, Cambridge, 1987, p. 4.

² Sonia Mazey, Michael Newman eds., *Mitterrand’ France*, Croom Helm, New York, 1987, p. 3.

³ Ibid.

⁴ Maurice Larkin, *France since the popular Front, Government and People 1936-96*, Clarendon Press, Oxford, 1997, p. 360.

democratisation of educational opportunities, cultural and mass media reform, political decentralisation and industrial reforms designed to increase the influence of employees' in the work place.⁵ The Socialist-Communist government promised to resolve the economic difficulties facing France with a combination of innovative macro-economic policies and major structural reforms, which, it was claimed, would allow France to achieve new growth, prosperity and greater social justice without compressing the living standards or increasing the insecurity of the majority of the French people.⁶

With this broader perspective the government initiated its industrial, economic and social policies. It sought to acquire the means to carry out an industrial policy of wider scope. Broadly this policy had three facets:

- i) an increased nationalised industrial sector ;
- ii) the complete nationalisation of the banking sector, in particular, the commercial banks, which should provide the financing desired by public and private firms ;
- iii) and finally a set of sectoral plans to ensure the coherent development of competitive production units in a given sector.⁷

The first nine months of Francois Mitterand's presidency was dominated by the nationalisation programme.⁸ The state took over all the shares in six major industrial parent companies: the Compagnie Generale d' Electricite, the Compagnie Generale de constructions Telephoniques, Thomson-Brandt (electronics and telecommunication), Pechiney – Ugine-

⁵ . Sonia Mazey, Michael Newman, n. 2, p.3

⁶ George Ross & Jane Jenson, Political Pluralism & Economic Policy, John S. Ambler ed. , The French Socialist Experiment, ISHI, Philadelphia, 1985, p. 26

⁷ Pascal Petit , Defining the new French Industrial Policy , Stuart William ed, Socialism in France, Frances Printer, London, 1983, p. 82.

⁸ Maurice Larkin, n.4 ,p. 361.

Kuhlmann (aluminium and chemicals), saint-Gobain-Pont a Mousson (glass, paper, and textiles), and Rhone-poulenc (textiles and chemicals). The only concession in the operation was that foreign shareholders in subsidiary firms were given the option of retaining part of their holdings⁹.

Along with nationalisation of major industries the state was also acquiring majority holdings in a number of other major companies. It took a 51 percent holding in the arms and aeronautical firms, Dassant-Brequet and Matra. Firms, partly foreign owned, were a more difficult matter, but the government negotiated substantial control over Rousel-Uclaf (pharmaceuticals) ITT-France (Telecommunications) and CII – Honeywell Bull (computers). Thus, with thirteen of France's twenty largest companies now in government hands and with a dominating shares in many others – the state's control of industrial turnover had risen in a matter of months from 16 percent to 30 percent .

Socialists made it clear that they were renouncing Giscard d'Estaings politique de crenaux of 1978, which had concentrated aid on strong runners and what were hoped to be the growth industries of the future. Henceforth all viable industries were to be encouraged to modernise with industrial self-sufficiency as the ultimate target¹⁰. It also involved a streamlining of aid to older and declining industries, complemented by restructuring plans for specific industries in returns for higher levels of aid, agreed through contracts signed between the government and the industries concerned¹¹. This politiques de Filieres was aimed at flooding the domestic market with Made-in-France label. It was assumed that the large size, high

⁹ Ibid., p.363.

¹⁰ Ibid., p.363.

¹¹ Philip G. Cerny, *Economic Policy: Crisis Management, Structural reforms and Socialist Policies*, Stuart William ed., *Socialism in France*, London, Francis Pinter, 1983, p.103.

technology and mass production would enable the leading French firms to withstand the foreign competition at home and abroad with all that that promised national prosperity and preservation of employment. The socialists rejected the very distinction between the rising and the declining sectors in favour of the notion that new technology could save virtually everyone's job.¹² Pierre Dreyfus, an early minister of Industry was fond of saying "There are no condemned sectors, there are only outmoded technologies."¹³

It is important to note in this context that there were disagreements within the government as to how and to what purposes the state was to use its extended control of industry. Some favoured making the nationalised industries exemplars of forward thinking and efficiency, whose main function would be to act as leaders and pace setters for the rest of the economy. Others, however, saw the state's control of industry as serving a much wider purpose, giving it the power to ameliorate the problems of society both in the long term and on a day to day basis.¹⁴

Nationalisation programme, indeed, had come with a heavy cost. This cost was the compensation awarded to various private firms and in buying the 100% shares of the major firms. Along with it, the state was assuming a heavy burden of responsibility for future investment in the newly acquired industries. Thus, it was strongly argued that the state needed greater control of the money supply. The Government, accordingly took over the remaining shares in those large banks that had been already nationalised and

¹² Peter A. Hall, *The Evolution of Economic Policy under Mitterrand*, George Ross, Stanley Hoffmann and Sylvia Malzacher eds, *The Mitterrand Experiment, Continuity and Change in Modern France*, Polity Press, Cambridge, 1987, p.59.

¹³ *Ibid.*, p.59, also see *Le Monde* 24 March 1983, P.16.

¹⁴ Maurice Larkin, n.4, p. 363.

proceeded to nationalise thirty six smaller banks together with the investment giants Paribas and Suez.¹⁵

While the industrial take overs took the share of the Public sector from 8% to 23% of the industrial sector, the Bank nationalisation took the public sector share of banks deposits from 62% to 92%. Heavy links were made between the industry and the banks, by socialist writers in 1970s, especially the Suez and Paribas groups, seen as creating powerful networks of economic social influence.¹⁶

Since 1945, the state had owned most of the deposit banks, notably BNP, Credit Lyonois and Societe Generale. Together they accounted for nearly two thirds of bank deposits. They made loans to industry on a very short term basis and sought to avoid real industrial risk. Even the big investment banks, Suez and Paribas, increasingly made money through concessions on financial transactions rather than by placing their own money as risk capital.¹⁷ The opinion was that Suez and Paribas group - two major investment giants, had played an important role in the merger boom of the 1960s and 1970s, and that the control of one or the both was a prerequisite for a successful industrial policy. On the other hand, a National Investment Bank was to be established, which would be more ready to risk its fund directly for new industrial investment.¹⁸

The nationalisation programme was achieved in 1982. The analysis brought forward was that in a context of changing international

¹⁵ Ibid p. 362.

¹⁶ Peter Holmes, *Broken Dreams : Economic Policy in Mitterrand's France*, Sonia Mazey and Michael Newman, eds. , *Mitterrand's France*, Croom Helm, New York, 1987, p.41.

¹⁷ Ibid, p.42.

¹⁸ Ibid, p.41

economic relationships, during Giscardian years, private sector oligopolies had proven both unable and unwilling to promote the best economic interest of the nation. Their action had produced unemployment, deindustrialisation and the loss of industrial activities vital to national economic integrity. It was said that the big capital had abdicated its national duty and had got tempted by market & political forces toward a course of irresponsible multinationalisation, and therefore could not be trusted.¹⁹ If the private capital and the market could no longer ensure France's economic integrity and success, then the state, through nationalisation, would do so. Nationalisation would allow direct investment to "reconquer the domestic market" and rebuild France's international competitiveness. Indeed, with nationalisation, France might come out of the international crisis in a much better position than it had been earlier, or so the analysis went.²⁰

The Industrial Relations and Labour Laws

The system of industrial relations in France was different from other advanced capitalist societies. There was near absence of collective bargaining pattern and quasi-corporatist arrangement which regulated labour capital and Labour state relationships. And the state had to intervene in a larger way, which elsewhere would have been bargained in a decentralized way.

Thus, Jean Auroux, the minister of Labour, came up with four legislative texts in April 1982 to reform and decentralise industrial relations. The first law was designed to strengthen legal obligation to bargain collectively by, among other things, requiring annual negotiations on wages, working conditions and the duration of work at firm level. Of the remaining

¹⁹ George Ross and Jane Jenson, n.6 , p.40

²⁰ Ibid., p. 40, Also see, Delion AG and Durupty M., Les nationalisation, Paris, Economica, 1982

three, the first dealt with “liberties of workers in the firm”, establishment of a charter of rights vis-à-vis the disciplinary power of employers, and the system of internal rules of the workplace. The Second was on the “development of representative institutions for personnel”, which strengthened and extended the scope of existing institutions like Work’s Committees, giving them access to a broader range of economic information and more time off work to function. Works committees, which already existed in middle-and large-sized factories, were extended to smaller firms. The third one “committees on hygiene, security and working conditions” proposed the amalgamation of two separate existing institutions dealing with these issues.²¹ The new laws were closest to positions advocated by some French Trade Unions, over the years, in particular the CFDT.

The reforms have had an important impact on French industrial relations. In 1983, the first year in which the collective bargaining requirement was applied, negotiations on effective wages, hours of work, and working condition, agreements were concluded in 42 percent of the 12000 firms with Union representation. In 1985, the negotiation took place in 71.5 percent of firms and agreements were reached in 5,000 firms.

The State has increasingly renounced direct responsibility for regulating industrial conflict. Instead, it had sought to privatize industrial relations by mandating collective bargaining at all levels. The socialist government sought, in its words, to “contractualize” social relations through collective bargaining and worker consultation. The agenda was to weaken CGT’s dominance within the Labour movement and to replace confrontation by co-operation between management and Labour. The government was highly successful in achieving these aims. However, it was less successful in

²¹ Ibid, p.41.

unifying organized Labour and mobilizing Union Support for the Socialist party.²²

Social Policy - Socialist Aims

“ But between the plan and the market, between you and us, Michael Rocard, there is socialism”.²³

- From the common programme adopted in 1972 to Mitterand's 110 proposition contained a major emphasis upon the need for change in order that French society might incorporate more fully the theme of social justice, social equality and openness with the aim of establishing a new balance in relationships between public authorities and individual and between individuals themselves.²⁴ Mitterrand believed that liberty, equality, Fraternity required more than political equality. They require much greater economic and social equality as well.

Mitterrand and his government, as a result of the previous government's austerity measures, inherited an inflation rate of 13% and an army of one and a half million unemployed people. As is well known, the new government was more worried about unemployment than about inflation, but its intention was not to abandon the attack on inflation – rather that control of prices had to be undertaken within the context of reducing inequalities and putting France “back to work”.²⁵ The prime need was felt to be the increased

²² Mark Kesselman, *The new shape of French Labor and Industrial Relations: ce n'est plus la chose*, in ed. Godt paul, *policy Making in France, from de Gaule to Mitterrand*, Pinterpress, London, 1989, p.172.

²³ Laurent Fabius, *P.S. congress, metz, 1979*

²⁴ Doreen Collins, *A More Equal Society ? Social Policy under the Socialists*, Mazay sonia and Newman Michael eds. , *Mitterrand's France*, Croom Helm , London , 1987, p.84.

²⁵ D.S.Bell, Byron Criddle, *The French Socialist party . The emergence of the party of Government*, clarendon Press, Oxford, Second edition, 1984, p.154.

expansion of the economy. Other measures were to be taken in parallel, like reduction of the working week and lowering of retirement age. A new ministry of solidarity was created to co-ordinate social policy – bringing together everything that touched on social services, unemployment benefits and state assistance and handling a massive budget which was financed from taxes on those in work and on employers, but was in considerable deficit because of the demands made on it by the 2 million or so unemployed.²⁶

The socialist government initiated an active manpower policy. While on the one hand large state subsidies were provided to maintain employment, on the other a variety of innovative schemes were devised to deal with rising level of unemployment, including the creation of 1,35,000 public sector jobs, 2,44,000 through early retirement programs, 40,000 by reducing working week to 39 hours, 10,000 through youth training and 1,79,000 through negotiated industry and region specific programs.²⁷

Left also responded to the problems of French welfare state with the same optimism, which coloured its responses to other important issues. It enacted almost all of the social benefits policy commitments, which Francois Mitterrand had made in his manifesto.

The Left's First minister of National Solidarity Nicole's Questiaux symbolised this euphoric, if brief, moment of largesse when she announced that she was "an activist, not a minister of Accounting". Family and housing allocations were raised substantially to 25 and 50 percent respectively. Old age pension minimums were raised dramatically by 62 percent over two years. The SMIC or "salaire Minimum Interindustrial de

²⁶ Ibid, p. 155

²⁷ Peter A. Hall, n. 12, p.65

croissance”²⁸ was raised by 10.6 percent, increasing in real terms between June 1981 and March 1983 by 38 percent, with some spill-over effects on all other wages. Paid vacations were increased from four to five weeks.²⁹ Health insurance benefits were made more widely available to part time employees and the unemployed. The purchasing power of social transfers rose by 4.4 percent in 1981 and by 7.6 percent in 1982.

- In France, social security is not funded by direct or indirect taxes, but by a special levy paid by employers and employees. To increase this, 1 percent payroll surtax which the Raymond Barre government had recently withdrawn was reinstated and the employer’s contribution was increased considerably.³⁰

In the area of health care, payroll surtax proposed sweeping changes: - the elimination of private beds in public hospitals, the substitution of third-party payment for Medical and pharmaceutical services in place of the traditional system of reimbursing patients; the creation of integrated health care centres in local communities; the payment by social security of the costs of abortions and the rationalisation of hospital budget.

These sweeping changes suggest that the Ministry of National Solidarity under Mme Nicole Questiaux “at first gave prominence to those elements in the Socialist party which favoured the use of social security system to develop the universalist view of reform. This meant a refusal to

²⁸ The minimum wage

²⁹ Donald Sasson, *one Hundred Years of socialism, The west European left in the Twentieth century*, I.B. Tauris Publishers, London, New York, 1996, p.551

³⁰ Paul Godt, *Health care :The political Economy of Social Policy*, Paul Godt ed., *Policy-Making in France, from de Gaulle to Mitterand*, Belhaven Press, London, 1989, p.201

consider social security as a burden on the productive process but rather as a necessary part of it and of the promotion of a modern society.³¹

All the reforms made through social security i.e., raising family & housing allowances, minimum salary, pension reforms, health care, would cost the Government nearly 8 billion Francs, to meet the deficit in 1981 nearly 10 billion and to head off the 22 to 23 billion Francs shortfall in 1982. The government had to find nearly 40 billion francs. It did so in the following ways :

1. Unspecified economies in the health care system (3.8 billion).
2. New taxes on workers: a pre-point increase in the sickness insurance contributions of salaried workers (14 billion); lifting the wage ceiling on the widow's insurance contribution first instituted in December 1980 (250 million); adjusting the wage ceiling of salaried workers in July rather than January (900 million); creating a 1 percent contribution to the sickness insurance fund by the unemployed if their benefits exceeded the SMIC (6000 Million); increases in family allowance contributions for small businessmen, artisans and the liberal profession (1 billion).
3. New taxes on employers: raising the wage ceiling for sickness contributions by 3.5 percent (9.10 billion) adjusting the wage ceiling in July rather than January (2.60 billion) and other charges (3.8 billion).
4. Other revenues: a doubling of the auto tax (1 billion) and a state contribution for 1982 (2.5 billion).³²

³¹ Doreen Collins, n. 24, p.86

³² Gary Freeman, *Socialism and Social Security*, ed. John S. Ambler, The French Socialist Experiment, ISHI, Philadelphia, 1985, p.106

The Effects of the Radical Reforms

The increases in wages and social security contributions saddled industry with 34 billion francs of extra expenditure in the first year of socialist government. In real terms, government expenditure went up by 11.4 percent in 1981 & 1982 - a sum equivalent to 8 percent of total French exports of goods and services. Also to finance its reflationary policies the socialist government increased the Public Sector deficit to 2.6 percent of GDP resulting in the budget deficit of 3 percent in 1982. It increased taxes on employers and upper incomes by about 28.2 billion Francs in 1981-82. In short, its policy heavily relied on the augmentation of demand to generate growth. Increases in public spending rather than reductions in taxation were employed to effect the necessary stimulation, and the measures tended to redistribute income away from private corporations toward the lower-income level of the household.³³

It became a problem when the higher incomes of the population were being spent on foreign imports rather than on French products. One way to protect domestic market was to put high tariffs on imports. But such tariffs were precluded by French membership of the EFC and her increasing dependence on international trade which now represented 23 percent of the GDP. The result was that French Industrial production, instead of being stimulated by the rapid growth in the public's purchasing power, was expanding at only half the rate of the purchasing power. The year 1982 saw car imports rise by an alarming 40 percent, electrical appliances by 27 percent, and consumer goods by 20 percent- causing the overall trade deficit grow by two-thirds.³⁴

³³ Peter A. Hall, n. 12, p.55

³⁴ Maurice Larkin, n.4, p. 365

In other words, as a result of reflation, higher level of consumer spending had increased the volume of imports, while a depressed world economy proved unwilling to buy higher volumes of French exports. The latter were already relatively expensive and increasing rates of domestic inflation threatened to make them completely uncompetitive.

Although the 1981-82 reflation itself increased the French trade deficit by 27 billion Francs, rising interest and exchange rates in the United States accounted for another 57.4 billion Francs deterioration in the French trade balance and reduced the French rate of growth by about 1 percent of GDP. Tied with it was the downward slide of the Franc against the dollar by a staggering 60 percent in three years and since over a third of France's total imports were valued in US dollars, the French lost a Major portion of their foreign reserves³⁵.

The government was forced to devalue the Franc on 4 October 1981. On 29 November 1981, the then Finance Minister, Jacque Delors indicated that "it will be necessary to pause before announcing further reforms".³⁶

French policy- makers realised that to reduce growing trade deficit and to restore the level of foreign exchange reserves, they will have to resort to deflationary measures it became necessary too, because United states refused to lower her interest and exchange rates and foreign creditors forced France to accept some deflation as a condition for their support to Franc.

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³⁵ Peter A. Hall, n. 12, p.56

³⁶ Hall peter A. , socialism in one country: Mitterand and the struggle to Define a New Economic policy, Philip G. Cerney and Martin A. Schain eds., Frances Pinter publishers , London, 1985, p.86



Mitterrand and his government faced a series of difficult choices - reduce spending on imports and lower the domestic rate of inflation so as to render exports more competitive; withdraw to some degree from European Monetary System to devalue more freely to correct domestic inflation; and withdraw from the European community to maintain domestic deflation behind high tariff barriers.³⁷

- Mitterrand opted for deflation and continued openness to international economy. The decision was largely based on the following consideration:

- a) devaluation was inevitable regardless of the route chosen;
- b) even limited withdrawal from international arrangement might well have intensified pressure on Franc and eliminated several sources of foreign exchange support necessitating greater austerity;
- c) the danger of retaliation on French exports.³⁸

Thus, Mitterrand turned to a series of deflationary measures. In June 1982, Franc was devalued for the second time in the Socialist rule. The government froze wages and prices until the end of October 1982 and agreed to limit the public sector deficit to 3 percent of the GDP. The public sector spending was cut by 20 billion-Franc in 1982 to accomplish it. The level of employers' social security contribution was frozen for a year, company tax was reduced by 10 percent; a portion of the cost of family allowances was transferred from employers to employees; accelerated depreciation allowances were introduced and value added tax was removed from tools for three years.

³⁷ Peter A. Hall, n. 12, p.56,

³⁸ *Ibid*, P.57

But as things got worse in late 1982 and as these measures failed to stem the tide of speculation on franc, "Finance ministry officials recognized that they were doing no more than postponing the evil day of the third devaluation".³⁹

A new tone was evident in Mitterrand's 1983 New year Message: it was necessary to restore profitability in industry: Management, whether in the private sector or in the public sector, had to be given the necessary autonomy; and only when financial balances had been restored, could expansion safely proceed.⁴⁰

On 21st March 1983, Franc was once again devalued substantially against the Deutsche Mark. The deflationary measures were intensified along with devaluation public spending was cut by another 24 billion Francs in 1983 and taxes were raised by 40 billion Francs. Out of 22 Million taxpayers, 15 million were to pay a new 1 percent surcharge on their taxable income and 8 million were to make a compulsory loan to the government of 10% of their taxes repayable in three years. Along with increases in expenditure taxes, an 8% limit was imposed on wage and price increases for the following year to be followed by decelerating indexation. In addition, Severe exchange controls were imposed on outflows of Francs, including those that French tourists could spend abroad.

Prime Minister Pierre Mauroy was explicit about the objectives:
" I want to change the habit of this nation. If the French resign themselves to

³⁹ Peter Holmes, *Broken Dreams: Economic policy in Mitterrand's France*, Sonia Mazey Michael Newman eds. *Mitterrand's France*, Croom Helm, Australia, 1987, p.47.

⁴⁰ Philip G. Cerney, from *Dirigisme to Deregulation ? The case of financial Markets*, Paul Godt ed. , *policy-Making in France, from de Gaulle to Mitterrand*, Pinter Publishers, London and New York, 1989, p.150

living with an inflation of 12 percent, then they should know that because of our economic interdependence with Germany, we will be led into a situation of imbalance. France must rid herself of this inflationary disease”.⁴¹ It was this “interdependence with Germany” that made Mitterrand reject Industry Minister Chevenement plan for France to leave the EMS and impose import controls. The reason being that the decision to defend the exchange rate within the EMS involved borrowing more and more from partner countries, notably West Germany. With the EMS, France could not devalue without her partner’s consent and she could not leave EMS because then legally she was obliged to repay at once the credits obtained from West Germany, which the Finance Ministry maintained was impossible.

The change of economic strategy of austerity in 1982-83 had another dimension. Mauroy declared in June 1983: “ we want to have wages rise more slowly than prices in order to curb the consumer purchasing power and increase profitability.”⁴²

The government deliberately manipulated the costs of austerity in 1982-84 so that they would be imposed on workers and consumers rather than on the corporate sector. Socialists were finally giving in to the domestic constraints of mixed economy. If business were to remain in private hands, they needed persuasion for investing and that investment depended on the maintenance of satisfactory rate of profit.

The object was to increase the rate of capital formation despite the limits austerity imposed on the stimulation of demand. The Government reduced public spending on both social programmes and defence. The

⁴¹ L’ Express (8 April 1983) p. 38-9

⁴² Maurice Larkin, n.4, p.366

shortage of money, brought the politique de filieres to an end; and 1984 found the government increasingly obliged to restrict its resources to anticipated growth areas. The depressed nature of the steel, coal and motor industries was progressively accepted as a fact of life as was the mounting level of unemployment and it was no longer thought appropriate to continue flinging money on it.⁴³

- The New Economic policy also necessitated the change in the government. The Mauroy government was prodded into resignation by a series of presidential decisions and announcements. Laurent Fabius, a young Mitterrand protégé, replaced Pierre Mauroy. Communist withdrew from the government, in the erroneous belief that despondency on the part of the Left would work to its advantage.⁴⁴

On succeeding Mauroy, Laurent Fabius declared to the National Assembly that “the priorities of the government were “to Modernise” and “to unite”. Modernisation was necessary in order to combat unemployment. However, this combat would be “long and difficult” and in the meantime, one must have the courage to say it Modernization would cost more Jobs than create it”.⁴⁵

The rollbacks in public spending and redistributive programme that were to follow could be anticipated in prime Minister Fabius’ 1989 observation that “the state has reached its, limits: it ought not to try to go beyond them”. And indeed, the next twenty months witnessed the socialists in

⁴³ I bid p.363

⁴⁴ To be dealt later

⁴⁵ Donald Sasson, n.29, p. 559,

gentle retreat that went considerably further than Giscard's had done in respecting market forces and the discretion of management.

The next two budgets of 1985 & 1986 would have pleased any capitalist. The 1985 budget cut the tax burden by about 40 billion-Franc. The cadres, in particular, were benefitted from reductions in surtax and social security charges and corporate taxes were cut by 10 billion Francs. A similar reduction had taken place in 1984. To maintain the budget deficit at 3 percent of GDP, 5000 posts were to be cut from the civil services and subsidies to the nationalised industries reduced.

At the Toulouse Congress of April 1985, the former price Minister Pierre Mauroy admitted that socialists had been wrongly reluctant to engage with "the management of a market economy, a capitalist economist" and added, for good measure: "The market has clearly demonstrated that it is one of the roads to freedom It is not the task of the state to produce. This is the task of the enterprises".⁴⁶

The 1986 budget followed suit. With few exceptions, departmental budgets were reduced by 5 to 10 percent in order to make a room for a 3% reduction in the basic rate of income tax and a 5% reduction in corporate taxes. Surcharges in 1983-84 were to be reimbursed with interest only 3 months before the March 1986 elections.^{46 47}

⁴⁶ Ibid

⁴⁷ Peter A. Hall, n.12 ,p.58

An Analysis

The Parliamentary Elections of March 1986 propped up a Right wing government, as expected, under the leadership of Jacques Chirac. The popularity of the Left, specially, socialists had plummeted. The five years of socialist government had come to end and thus, the time for evaluation. The most striking feature may well be the contrast between the sound and fury of these five years # the inflated rhetoric of supporters and adversaries alike-and the modesty of the actual policies and accomplishments. It appears that the "Realists" in the Socialist Party finally had the last laugh and coming together of various Left on a common understanding of furthering "Left-Socialism" was a tactical move by Mitterrand to unite Left forces rather than actually meaning those words.

Even if judged within a social democratic frame-work, which primarily concerns itself with the working class and the common masses, their welfare through the maintenance of full employment, improved pay and condition and in general the quality of life, the socialist government left France to deal with 3 million unemployed and an average wage level fallen by 2.5 percent. Apologists of the government might be arguing that international economic pressure and domestic constraints tied the hands of the government. The fact remains that the government turned to the same capitalist policies, for which it feverishly criticised Giscard and rightly so.

A close look at Auroux Law reveals that it carefully preserved managerial privilege and weakened Trade Unionism. The decentralisation measure actually incorporated the local socialist elite rather than opening up the structures to masses.

The U turn made by the Government while favouring corporatism and enterprises and switching from socialism to “Modernization” was aptly summed up by Alain Touraine with Sarcasm: “The type of human being praised everywhere is now that of the young entrepreneur. If you hear an inflated tribute to profits, enterprise, competition, you can be sure you are listening to a socialist minister. We are witnessing the triumph of hedonism...which transforms any social question ... into a question of consumption.”⁴⁸

The other aspect where the government floundered was in discouraging the pro-government solidarity demonstration, believing that the parliamentary majority was enough to see the reforms through. While doing so it did not take into account the volatility of electorate, which was a prey to mobilisation against the government if it failed to deliver specially in economic sphere, putting the government on the defensive.

Stanley Hoffman notes that “Paradoxically, the socialists’ successes were the biggest in areas one would least expect them. They turned out to be more efficient in managing austerity, in reducing inflation, and in squeezing wages, than their predecessor. They rehabilitated competition (including in the public sector), celebrated the entrepreneurial spirit, initiated deregulation (especially in banking) and thus, as Casanova observed ironically, prepared the ground for the Right most excellently”.⁴⁹

⁴⁸ Donald Sasson, n. 29, p.560

⁴⁹ Stanley Hoffmann, *Paradoxes and Continuities*, George Ross, Stanley Hoffmann, Sylvia Malzacher eds., *The Mitterrand Experiment, Continuity and Change in Modern France*, Polity Press, Cambridge, 1987, p. 342

Indeed the Right emerged victorious, but socialists losses were considerably less disastrous. One may even dare ask whether the good socialist performance in March 1986 marked the beginning of a new socialist tide, just as the Right started to rise again almost immediately after hitting the low ebb of June 1981.

In the next two years, power was shared between the conservatives in parliament and the socialist President Mitterrand, who still had two years left of his first term- the period known as co-habitation. In 1988, Mitterrand once again became the Socialist candidate for the presidency and Prime Minister Jacques Chirac his main right wing rival. Mitterrand was elected on the second ballot. He secured 54.02 percentage of votes as against Chirac's 45.98, on a high 84 percent turn out. It was a substantial advance on Mitterrand's earlier victory.⁴⁹⁵⁰

Armed with a lead of two and a half million voters, Mitterrand repeated his victorious formula of 1981. He dissolved the National Assembly and ordered fresh elections, rewarding, meanwhile his long-suffering rival with the task of forming a caretaker government. But, satisfaction with Mitterrand did not extend to his party. The Socialist Party along with other left formations bagged 277 seats in the parliament, short of a clear majority. Thus, the problems began for the new socialist government before its second stint in power.

In 1988, the first minority government in the history of the Fifth Republic was formed by the Socialists with Michel Rocard as the Prime Minister. As both the electorate and the parliament were fairly evenly split

⁵⁰ Maurice Larkin, n. 4 , p. 396
⁵⁰

between the Right and the Left, Mitterrand was in no doubt that a policy of keeping the middle ground was what presented the least problems; and this was a policy that sat reasonably comfortably with the 'economic realism' of the premier.⁵¹

The victory of Socialists, in 1988, was more a result of dissatisfaction with Chirac administration, rather than a positive desire for major change, evident in 1981. In the form of issues, differences disappeared between left and right. Both supported a wider single European market, advocated monetary stability, wished a European central bank and an improved economy through competition, education and training; both were in favour of a guaranteed minimum income.

The differences as still existed could be found at the level of values, symbols and language. The socialists followed Mitterrand by talking of republican values, social justice, tolerance towards immigrants and political refugees, solidarity and equality. By voting for socialists, one could vote for progress and social justice in principles and for orthodox fiscal and monetary policies in practice.⁵²

Rocard, like his predecessor, was initially favoured by a buoyant international economy; French expansion of GDP averaged 4.4. percent in 1989, higher than West Germany's rate of 3.7percent and job creation grew at an average annual rate of 1 percent , with the over all level of unemployment dropping to 9 percent by 1990. Inflation, too, at just over 3 percent compared well with OECD's average of 7 percent. The black spot was unemployment, which remained above the EC average and had begun to rise in the early

⁵¹ Ibid., p. 399.

⁵² Donald Sasson , n. 29 , p.569

1990's. Mitterrand had created a national consensus around disinflation and had spurred acceptance of market values in a country that had long doubted them.⁵³

1990 brought a slowdown in the international economic growth. On the one hand, the United States was seeking to deal with its mounting public and private debt, on the other Germany, after the unification, was grappling with the sagging economy of former East Germany. Coupled with it, the Iraqi-Kuwait crisis had depressive effect on world economy.

Rocard's freedom of manoeuvre was constrained not only by the state of world economy but also by his lack of an overall majority in the National Assembly. He, after assuming office in 1988, favoured the idea of seeking co-operation and granting concessions to opposition rather than using institutional procedures to smuggle his legislation past parliament. During the 1988 budget, the Rocard government made significant policy concessions to both the communists and the centre:

- i. The government reduced the rate of the value added tax {VAT} on luxury items from 33 percent to 28.
- ii. A decrease in the professional tax.⁵⁴
- iii. An increase in academic scholarship.
- iv. An increase in the renter's assistance and
- v. Promises regarding future examination of taxes on undeveloped property.⁵⁵

⁵³ Patrick Mccarthy, France in the Mid-1990's: Gloom but not Doomed, Current History, Nov. 1994, p.365

⁵⁴ Tax paid by business

⁵⁵ Muller Wolfgang, C. Strom Karre, Policy, Office or Votes ? How political Parties in Western Europe make hard Decision, Cambridge University Press, 1999, p.265

But, in 1989, with the same basic policy questions at issue, the budget debate began completely differently. The government refused to negotiate any important concessions with opposition parties. The centre group asked for large tax breaks for big business, unaffordable reductions in medium VAT and most importantly privatisation of French industries. The communists demanded a huge increase in the “*impôt de solidarité*” Sur la France (solidarity tax paid by business)⁵⁶ paid by the richest individuals in France. Rocard, rather, used many of the institutional procedures available to him to prevent substantive policy changes by the National Assembly. He brandished Article 49.3 more often than all his predecessors in the Fifth Republic put together.⁵⁷

The Rocard government and those of the two Socialist Prime Ministers who succeeded him, all followed similar path. Fiscal prudence shifting the burden of taxation from direct to indirect taxes was combined with a rigid anti-inflationary policy, based on the *franc fort* policies once upheld by Raymond Barre. References to socialism disappeared from socialist documents, except to stress how far the government strayed from it. Thus when the new plan was presented in 1989, the minister in charge Lionel Stoleru declared: “undoubtedly there is a certain ideological discrepancy between the socialist plan and that part of the plan which accepts the case for reducing the level of taxation on capital. But, there you are : this is a courageous programme by a government conscious of its European commitment”.⁵⁸

⁵⁶ A wealth Tax.

⁵⁷ The confidence vote procedure, found in Article 49.3 of the constitution permits the government to “engage its responsibility – that is, to link the fate of a bill to a censure vote in the National Assembly. When the government invokes the confidence vote procedure, there is not vote on the bill itself. Instead, all debate ceases immediately, and if a motion of censure is not introduced and vote within a specified time limit, the bill is considered as adopted in form designated by government.

⁵⁸ Donald Sasson, n. 29, p.570

While committed to Mitterrand's 'ni.....ni'⁵⁹ on nationalisation and privatisation, Rocard continued the well established socialist tradition of allowing state enterprises to individual assets into private ownership, provided that the proceeds of the sale were reinvested in the firm that sold them. At the same time, much like Chirac, Rocard sought to encourage greater reliance on private investment on the part of both the public and private sectors of industry. At the same time his attempts to impose wage restraints and reduce deficits in the social security system provoked popular protests and intermittent strikes in both the public and private sectors. For some time, Rocard had been criticised by many fellow socialists as "too reformist" too willing to placate business interests and tolerate "social deficit".⁶⁰

The French policies were increasingly linked to Europe or, were getting dictated by it, as European integration process was gaining momentum towards an Economic and Monetary Union. Mitterrand thought that France stood a good chance of being able to shape new European integration to its own advantage. The French had ideas, a strong military position, and a skilled administrative elite. He hoped large domestic pay from this. A French-led crusade for European integration could restore French "grandeur" Nationalist pride, plus the possibility that the single market programme might stimulate economic growth and job creation , could consolidate a new, more "modern" coalition around the Left. The "Europe option"also had hidden domestic dimensions. France's companies, labour Unions and technocratic leadership class needed to be shocked out of old statist and corporatist reflexes. Pooling

⁵⁹ Neither nor

⁶⁰ A French political expression for lack of attention to the less well off.

new sovereignty at the E.U. level allowed Mitterrand to claim “Europe made us do it”, when unleashing painful reforms.⁶¹

The “Europe option” was responsible for much of the economic difficulties. Insisting that Franc should become as solid as the German Mark cost jobs and discouraged investment. Behind the strong Franc commitment lay the movement towards Economic and Monetary Union, vigorously promoted by Mitterrand and agreed to by the E.U. leaders at Masstricht in 1991. The Germans insisted on stringent “convergent criteria” for preparing EMU—very low inflation, low interest rates, budget deficits and debts plus currency stability. The French, thus, ended up caught in their own manoeuvring. EMU in French minds was designed to wrest some monetary control away from the Bundesbank to allow Europe in general, and France in particular, to pursue more expansionary policies. Instead EMU became a new device for the Germans to make everyone else follow their deflationary lead.⁶²

In 1991, at the end of Rocard’s period in the office the French economy had become one of the “healthiest” in Europe, the Franc one of the world’s strongest currencies. The budget deficit and inflation were under control; the interest gap with Germany was narrowing; and the country had received a high approval rating from OECD. But, all this had come at a price on domestic front.

Rocard’s tenure was characterised by quiet negotiations over the problems in need of long term treatment, a strategy deriving in part from his political philosophy but dictated largely by the narrow margin separating the socialists from a majority in the National Assembly. Finally, when Rocard

⁶¹ George Ross, *Chirac and France : prisoners of the past, current history*, March 1997, p.105

⁶² *Ibid*, p.105.

expressed doubt whether the National Assembly would agree to changing the electoral law for the regional elections in 1992, the President choose to interpret this as an admission by the premier that he could no longer get legislation through parliament, he promptly requested his resignation.⁶³

Mitterrand chose Edith Cresson to head the next government. Cresson's pragmatism, economic trimming, vigorous style, commitment to Europe and an open mind on privatisation – 'denationalise the public sector? Why not' - had shocked the left wing Socialists.⁶⁴ She remained at the helm of the affairs for nearly year. She, along with not so co-operative Pierre Beregovoy, the Finance Minister, managed to lower the inflation to a mere 2.4 percent in 1992. But to keep the Franc within the parametres of the Exchange Rate Mechanism obliged Beregovoy to increase interest rates at the end of 1991. The same year, the growth rate of GDP sunk to 0.8 percent, the lowest point for nearly a decade, while unemployment had risen to 9.4 percent. Desperation brought change in the government policies. Now, the proceeds of asset selling by state-run businesses was being used to balance the government's books, instead of being used for debt reduction or investment.⁶⁵

The pressure from the E.U. for a change in Common Agriculture Policy began and the news that the government intended to accept CAP's reform ignited the farmer's protest. Cresson also took some what unusual position on the issue of immigrants. Instead of adopting a position natural to leftist politicians the moral high ground of defending the rights of immigrants against racist and xenophobic reaction - Cresson implied that her government

⁶³ Maurice Larkin, n.4, p.404.

⁶⁴ Ibid.

⁶⁵ Ibid P.405.

would show greater zeal than the previous one in enforcing laws covering illegal immigrants.⁶⁶

Edith Cresson managed to alienate everyone. By now, the Socialists' past success in curbing inflation had been superseded in the electorate's mind by their inability to reduce unemployment. The party, deprived of influence, lapsed into corruption and internal feuds.⁶⁷ Finally, when the results of the regional and cantonal election of 1992 turned out to be bad for socialists, Mitterrand replaced Edith Cresson with Pierre Beregovoy.

It was less than a year to go for the next parliamentary elections, when Pierre Beregovoy was sworn in on 2 April 1992. It was a depressing hand of cards that Beregovoy picked up. The state of the economy would not allow him to take any imaginative step. Along with it, the coming parliamentary elections precluded any further austerity measure that might have helped the economy but would have certainly cost to the socialist party, facing an imminent defeat, further loss of votes. Tax increases and reductions in public services were both politically dangerous. Beregovoy recognised that politically there was going to be no alternative to a larger budget deficit.

European union agreement, on 27 May 1992, to lower progressively the prices of agricultural produce and implement an increased programme of set-aside, brought the intimation of future troubles from French farmers. A spate of protests followed. Though the French government took a tough line with America in the Uruguay Round of the General Agreement on Tariffs and Trade discussions, the French farming community indicated its

⁶⁶ John Fenke, *France's uncertain progress toward European Union*, *Current History*, 1991, p.359

⁶⁷ Patrick McCarthy, *France in the Mid 1990's Gloom but Not Doomed*, *Current History*, Nov.1994,p.365

deep dissatisfaction with those concessions that France did manage to win the provisional agreements that emerged.⁶⁸

Like his two predecessors, Beregovoy too faced with the particular economic problems of America and Germany. America was trying to stimulate its stagnant industry by lowering its interest rates and allowing the dollar to fall to a mere 5 francs by August 1992. It made American goods attractive on the international market and simultaneously it discouraged American imports of French produce. Germany, on the other hand, was increasing its interest rates to control the risk of post-reunification inflation. Higher rates for foreign investors increased the international value of Deutsche Mark, obliging the French government to divert much of its attention to maintain parity with Franc.⁶⁹

Despite these adverse conditions, France managed to achieve a growth rate of 1.2 percent of GDP in 1992, which was .05 percent higher than the previous year. The inflation remained at 2.4 percent. It had favourable trade balance of 15.3 billion Francs. But, unemployment was once more upto 10 percent and the government deficit rose to 4 percent of GDP, indeed a hard burden to carry to the parliamentary election. The government ministers including Beregovoy himself were either under investigation for bribing or accused by the press of financial corruption and delaying investigation to save his benefactor from embarrassment

As expected, the Socialists got the worst drubbing in the elections and secured just 70 seats, in spite of having managed second ballot deal with communists. Communists, on their part, held on to their number of

⁶⁸Maurice Larkin, n. 4, p.407

⁶⁹ I bid P.407

seats. And the Centre- Right combination, which had come to an agreement of having one candidate in 85 percent of the constituencies on the first ballot, as well as providing them with a common programme, swept the polls by winning more than $\frac{3}{4}$ of the seats. But the most notable and alarming was the rise of the Front National of Le Pen which secured 12 percent of votes on the first ballot. However it could not get even a single seat in the parliament.

When the socialists were defeated in 1993, they bequeathed an economy, which was far stronger and sounder than it had been when they first began to manage it in 1981. But the France which they left behind was a less tolerant place. It now had a racist party with over 10 percent of population behind it, and an anti-immigration lobby openly supported by some Conservative minister. There were daily attacks on immigrants and a growing xenophobia. Ten years of nearly continuous socialist government had not shielded France from an escalation of racism.

After ruling ten years, the French Left looked more bereft of ideas, hopes and support than it had been in its entire history.

CHAPTER II

Periods of Cohabitation 1986-88 & 1993-95

On the expected lines, the Centre-Right alliance of Rassemblement pour la Re`publique (RPR) and Union pour la De`mocratie Francaise (UDF) was voted to power in March 1986 National Assembly elections. By Mid- 1985 and even earlier, it was clear that the Left would lose the election. The Socialists were fighting to keep their losses to the minimum and perhaps to deprive the Center-Right of a clear majority in the new Assembly. The socialists lost 70 seats compared to 1981 and the Centre-Right just managed to cross the half way mark by winning 291 seats together against a total number of 577 seats. The socialists were benefited, though less than anticipated, by the change in the electoral system.¹ However, the Socialist Party secured 31 percent of the votes and emerged as the largest single party in France. The new majority won close to 45 percent votes, including independent rightists. The communist party registered its further decline by securing 9.69 percent of the votes. The new element in the National Assembly was the ultra right-wing Front Nationale of Le pen, which won 9.8 percent of the votes.²

¹ Under a law approved by the National Assembly on June 26, 1981, in the single member district, two ballot system was replaced with a single ballot proportional representation system in which voters opt for lists of potential deputies established by the parties on a departmental basis. The socialists aimed to prevent any single opposition party from gaining an absolute majority of deputies and to hinder the formation of electoral alliances, because parties can earn a premium of seats by putting forward a separate and competing lists.

² Michael M. Harrison, "France's Uncertain Transition", *Current History*, Philadelphia, Vol. 85, No. 514, November 1986, P.365

The victory of the Centre-Right in the National Assembly elections threw up a unique situation - the nation was now to be governed by a conservative Prime Minister and a socialist President, who still had two years in office - known as co-habitation. This was an unprecedented situation in the history of the Fifth Republic. It meant that a conservative Assembly had to come to terms with a socialist President. Until 1986, the potential problem of this arrangement i.e. cohabitation remained hypothetical, since presidents had always enjoyed a friendly majorities in the parliament.³ The constitution was little help on how the President and the Prime Minister should share power in the event of the Elysees and the Matignon falling into opposing hands.⁴

Cohabitation posed new questions about the presidency. The constitution, for all its detail, was remarkably remote from the realities of how executive power was actually divided under the Fifth Republic. After de Gaulle became the head of the state in 1958, within months it was clear that his exercise of presidential power was rapidly moving away from the Debre's concept of the above-party arbiter which had inspired the authors of the constitution. When de Gaulle achieved his aim of a popularly elected presidency, which in effect completed the transformation of the President from an arbiter in to the partisan leader of a victorious coalition. Yet even this momentous change entailed no alteration to the constitution, other than new rules for his election.⁵

Mitterrand's supporters feared that the new situation would reduce his role much further, given the uncongenial composition of the

³ Campbell, Feigenbaub, Linden, Norpoth eds. , *Politics and Government in Europe Today*, Second Edition, Boston, Houghton Mifflin Company, 1995, P.273

⁴ Maurice Larkin, *France Since The Populart Front, Government and People, 1936-1996*, Oxford, Clarendon Press, 1997, p. 382

⁵ *Ibid.*

parliament that faced him. While Mitterrand had the option of calling new elections, the political climate would simply have assured the re-election of the same conservative alliance, a return to a stalemate situation, and a severe loss of prestige for the President. Mitterrand chose to let the election stand.⁶

Run-up to the Elections of 1986

Both the principal contenders – the Socialist Party and the Centre-Right were faced with the serious difficulty of formulating new set of programme to deal with the difficult situation facing the French nation and its people. For the socialists, the dilemma was to find a new set of policies for a party whose programme of radical measures had not been successful after 1981. The socialists were always a heterogeneous group with ideas ranging from the extreme leftist views of Jean-Pierre Chevenement and Pierre Joxe to the social democratic approach of Michael Rocard, the socialist party had pursued the Centre-Left pragmatism favored by Mitterrand and Fabius since the crisis of 1983. At a pre-electoral congress of Toulouse, held on October 11 to 13, 1985, the socialists began to move decisively toward a moderate brand of socialism and later adopted an electoral programme affirming the pragmatist policies they had practiced since 1983.⁷ The modest nature of the proposals adopted at this congress and the lack of strong ideological dimension confirmed that this section of the French Left had essentially abandoned the ideals that had preoccupied French socialism for most of the 20th century.⁸

The divided Centre-Right was equally troubled by the political situation. The largest single party in this part of political spectrum was the

⁶ Campbell, Feigenbaub, Linden, Norpoth, n. 3, P.273

⁷ Michael M. Harrision, France's Uncertain Transition, no.2, P.364.

⁸ Ibid.

neo-Gaullist Rassemblement pour la Republique (Rally for the Republic, RPR) led by Jacques Chirac which forged an antagonistic alliance with the loose coalition of centrists grouped under the banner of Union pour la democratie Francaise (Union for French Democracy, UDF).⁹

Before the election, one of the major issues dividing these groups was “cohabitation” – whether a victorious centre- right should try to create a government and coexist with a socialist President for the remainder of his term or force an early showdown that would lead to a presidential resignation and a new election to restore symmetrical majorities supporting the president and the National Assembly. Raymond Barre, former Prime Minister, was the main opponent of cohabitation, partly because he was the leading contender in presidential preference polls and most likely to benefit from an early election. Chirac, also driven by a strong presidential ambition, and a low standing in the polls and felt compelled to support cohabitation with himself as the likely Prime Minister. Visibly, he was buying time to in order to gain popularity and credibility.¹⁰

The common platform of RPR and UDF, signed on 16 January 1986, was notable for its moderate programme though the heart of the programme was a promise to denationalize the firms and banks that had been nationalized after 1981, the Centre-Right proposed to liberalize the economy through a programme of deregulation expecting it to stimulate market forces in France. It also accepted many projects enacted by the socialists, like decentralization and the abolition of the death penalty.¹¹

⁹ I bid.

¹⁰ I bid.

¹¹ Michael M. Harrison, France in suspense, SAIS Review. Vol.6, No.1 , Winter- spring 1986, p.91.

Perhaps, the most remarkable thing about the election campaign was the subdued level of polemics and the tendency to shy away from comprehensive new programmes. Michael M. Harrison notes “Instead, both sides stressed their ability to manage austerity programmes and to introduce a balance between the state and France’s society and economy. Socialists and the Centre-Right agreed that the situation called for reduced state management of the economy, and both stressed the importance of the market and the need to liberate the productive power of French firms. Despite conflicts over the proper balance of state and market and the nature of social welfare cushion during a period of economic difficulties, the impression was one of converging attitudes rather than polarized and unrealistic grand designs”.¹²

Cohabitation Begins

After the elections, Mitterrand acknowledged that he had to confirm the voter’s decision and appointed a Center-Right government under Jacques Chirac. An informal agreement reached between Chirac and Mitterrand established ground rules for cohabitation. Mitterrand agreed to permit the government to pursue its aims without undue obstruction, although he retained the right to intervene if he felt the national interest were at stake or if the government were endangering certain social benefits.¹³

Mitterrand’s decision to come to terms with cohabitation and accede to the “will of the people” was more than likely based on the calculation that the conservatives would fail to solve France’s economic problems and thus would bear the brunt of public dissatisfaction in 1988 presidential election, Chirac, too, favoured the Gaullist concept of strong presidency and hope and reason dictated that he should do nothing as Premier

¹² Michael M. Harrison, N. 2, p.365

¹³ Ibid

to capture at the next presidential election. Therefore his actions often fell short of the flamboyant electoral rhetoric.¹⁴

Above all, Mitterrand and Chirac both operated under the constraints of public opinion, that favored the temporary division of political power, allowing Mitterrand to finish his term and could censure any politician decreed responsible for a breakdown in the arrangement.

Socialists rally behind the President and Mitterrand tactics

Cohabitation also worked, in its way, to pull the party together behind a now beleaguered president, now reduced to a presiding position. In the absence of a majority, Mitterrand had few powers to thwart Chirac's conservative government. Effectively, Mitterrand was left with little more than the great prestige of his office: Together with it he was extremely keen not to be seen humbled or embarrassed by Chirac. The President was content to 'preside', basking in the unpopularity of much of the Chirac government's legislative programme, and sought to imply by his silence as much as by his occasional 'nons' that it was the Right, which by precipitate action, unreasonable demands and partisan measures was threatening the harmonious 'cohabitation' which all opinion poll showed to be the voters' wish.¹⁵

Mitterrand's supporters feared, given the uncongenial composition of the parliament that faced him, that the new situation would reduce his role much further. Therefore, there was a perceived need in the Socialist Party to rally round the President and to produce a presidential platform to win back the floating voter. The approaching presidential election, which was expected

¹⁴ Maurice Larkin, n.4, p. 383.

¹⁵ D.S.Bell and Byron Criddle, *The French Socialist Party, The Emergence of a Party of Government*, Second Edition, Oxford, Clarendon press, 1988, p.268

to unravel the knot of, 'cohabitation', served to restrain the president's party and to remind it of the need to appeal unequivocally to a cautious yet volatile electorate.¹⁶

Finally, though some ex-ministers entertained the ambition to run for the presidency, none would be seriously embarrassed by the prospect of a further Mitterrand's candidacy. Mitterrand was, for two decades the symbol of unity and the rallying point for the Socialist Party in particular and Left in general. The only opposition to his candidature was posed by Michael Rocard, who hoped to use the demoralization in the party after the defeat to project himself as the only candidate capable of leading the socialists into the next presidential election. Despite the challenge from Rocard, the Socialist Party recognized Mitterrand as its best bet and rallied to his cause again.¹⁷

The policies of Chirac's government during cohabitation

The ministerial team of Chirac was a fair reflection of the Right-wing, except four positions which went to non-parliamentary technocrats. Infact, two of them were inducted on the intervention of Mitterrand, who did not want any impingement on his domain- Defence and Foreign Affairs. He forced Chirac not to award Francois Leotard and Jean Leanuet these two important positions. Elsewhere Chirac got his way.

The fundamental choice in front of Chirac was, whether to woo the floating vote by minimizing the discontinuity with new-look socialism of Fabius government or to dazzle the electorate with the market-force new liberalism, expecting it to both accelerate economic performance and cure unemployment at the same time. Though, Chirac's instincts favoured the

¹⁶ Ibid p.269.

¹⁷ Ibid p. 268.

second course, his desperate determination not to spoil matters by cutting too many corners and thus appearing to behave unconstitutionally put obstructions here.¹⁸

In its initial phase, the difficult institutional relationship between the cabinet and the President and the very slim majority of the government in the National Assembly made Chirac's government to move at a moderate pace. Early on, the cabinet obtained Mitterrand's conditional approval to pass a law enabling it to institute certain economic and social reforms, including denationalization, by decree.¹⁹ Condition approval because within a week of the Right's ascendancy to power, Mitterrand had asserted that he would not sign any ordinance that affected the nationalization of pre 1981 period. These he regarded as part of 'the national patrimony', hallowed by the blood of martyrs. Predictable, Mitterrand and Chirac clashed for the first time on the issues of privatization and abolition of Mitterrand's recent changes to the electoral system. Chirac intended to deal with both the issues by lois d'habilitation (plus ordinances), which would limit parliament's voice to the matter of principle while leaving the detail to simple government ordinances. This project was originally presented in April 1986. It met the presidential objection. Mitterrand, in the name of defending full democratic discussion, referred both laws to Constitutional Council. But the Constitutional Council itself was confined to the parliamentary lois d'habilitation, all it could do was to utter general warnings that the government must ensure that privatization should not result in the sacrifice of consumer's interest to the share holders desire for profits nor bring about the sale of the family silver to unscrupulous foreigners.²⁰ Mitterrand was not satisfied and he announced on July 14, 1986

¹⁸ Maurice Larkin, n. 4, p.387

¹⁹ Michael M. Harrison, France's uncertain transition, n.2, p.365

²⁰ Maurice Larkin, n.4, p. 388.

that he would not sign this decree because he was responsible for protecting France's heritage and national independence; he contended that the project might allow part of the "national patrimony" to fall into foreign hands.²¹

Withholding his signature from the law, Mitterrand publicly reasoned with Chirac stressing that matters involving the risk of foreign control should be debated in the parliament so that the parliament could decide what it was authorizing. In other words, asking that the lois d'habilitation should be replaced by specific parliamentary legislation.²² The moral high ground held by Mitterrand made the Prime Minister to submit the plan to a full parliamentary debate. Now the bill was bundled into a law and could be sent to constitutional council but this time, Mitterrand resisted his temptation, realizing that to do so would transform the public image of him as a guardian to parliament into that of an incorrigible obstructor.²³

Privatization was certainly the most contentious issue that divided President and the Prime Minister. For an aspirant government, privatization was the panacea for the economic ills of the country. It could cut it loose from the financial problems, also provide it with the ready cash to reduce the national debt, and thereby indirectly help balance the budget. So thought a group of young RPR theorists and whose views were adopted and developed by the parliamentary Right. It was pointed out that the distribution of shares would ensure economic benefits and participation as well.

But the observers wondered whether the tightly controlled French Bourse had the capacity to float large quantities of privatized shares.

²¹ Michael M. Harrison, *France's uncertain transition*, n.2, p.393

²² Maurice Larkin, n. 4 ,p.389

²³ Ibid

On the other hand, the Right had no intention of privatizing public services and infrastructure like Gas, electricity, Tele-communication and Railways for sometime.²⁴ Whatever the appeal of Thatcherism in this period, Gaullism of Liberation era played its part in ensuring that *'les grandes feodalites* does not take over the economic life of the country and reassuring voices of the Right spoke of its intentions to distribute the shares as far down the social scale as possible. But, it was clear that small buyers would buy the shares to quickly sell them again to encash their novelty to get a high price. And if *'les grandes feodalites*' was willing to buy them, the nostalgia of Liberation era would not inhibit a quick sale.²⁵

More controversial was the privatization of one of the television network TFI, although Mitterrand had led the way politically in the previous year when he offered the newly established Channel 5 to the Italian Media tycoon, Silvio Berlusconi. But, the sentiment that the chosen buyer should be sympathetic to the government of the day led to the reallocation of Channel 5 to the leader of the Rightist press Robert Hersant and the Channel 6 went to the consortium that included the former secretary General of the RPR, Jerome Monod.

The international stock market crash of October 1987 brought the privatization programme to a temporary halt. But a few months later it took wing again with the sale of the Suez Holding Group, Credit Agricole, and Matra armaments. The government raised over 70 billion Francs by the sale of privatized assets and used two-thirds of that to reduce national debt and funneling the remainder into national sector.²⁶ The sale was also meant to

²⁴ I bid , p.90

²⁵ I bid, p.390

²⁶ I bid, p.391.

increase the number of shareholders from 4 million to 7 million making it a nation of shareholders. But, as expected, most of them preferred to sell their shares quickly at a profit, which averaged between 7 to 18 percent.²⁷

Along with privatization, Chirac's ministry also made a general attempt to deregulate the economy- deregulation that meant lesser governmental interference. In other words, the other liberal economic measures included the greater freedom to business to determine prices for its product and the removal of restrictions on the firing of employees.²⁸ A major initiative of the government was the planned denationalization of banks and insurance companies. The termination of the quota system on bank lending leading to increase access to finance. The mechanics of investment and sharedealing were liberalized by breaking the monopoly of the authorized brokers. The government lowered the tax rates for both individual and firms, reduced state subsidy to industry, and lifted the state control over rationing of credit.²⁹

Corporate taxes were reduced by 37 billion Francs over two years and individual taxes by 31 billion Francs despite opposition from Raymond Barre and CDs members of the government. The right to buy and sell gold anonymously was restored and amnesty was offered to those who had illegally shifted capital to 'safe heavens' during the socialist rule, provided they repatriated their illicit exports.³⁰ The government also undertook a major devaluation, sought to slow the growth of salaries by

²⁷ I bid

²⁸ Michael M. Harrison, France : The politics of Ambiguity, Current History. Vol. 87, No. 522, November 1988, p.378.

²⁹ Ibid.

³⁰ Maurice Larkin, n.4 , p. 392.

instituting a freeze on government salaries and continued reductions in budget deficit to steady the value of Franc.

Apart from these important economic policies, the centre-right focussed its attention on the problems of security that preoccupied the French mind ; the measures taken were intended to lower the crime and delinquency rates, control domestic and international terrorism aimed at France and, it turned out, restrict immigration and some of the civil rights of the immigrants.³¹

Chirac's preoccupation with law, order and immigration control had reflected in the appointment of Charles Pasqua, the Gaullist who represented the populist authorization wing of the RPR, to the Ministry of Home Affairs and in his giving the Ministry of Justice to the Pragmatic and managerially minded Albin Chalandon of RPR.

Pasqua and Chalandon substantially toughened the immigration control in the late summer of 1986. Visas were reintroduced and French consulates abroad were given the task of vetting applicants, thereby forestalling the scenes of desperate immigrants being forcibly repatriated from French airports. And for those who managed to slip the net, the Pasqua-Chalandon legislation made expulsion a simple administrative matter.³² The Minister of Justice Albin Chalandon instituted some major reforms in the field of law and order, including more stringent measures against criminals, juvenile delinquents and terrorists. He increased the police powers and authority to supervise the actions of foreigners residing in France. The

³¹ Harrison Michael M, France : The politics of Ambiguity, n. 28, p.378.

³² Maurice Larkin, n. 4, p.393.

legislation empowered the police to hold terrorist suspect as for up to four days without charge. Chalandon introduced the creation of a non-falsifiable national identification card and put restrictions on the rights of political asylum and activism for foreigners.³³

The 1984 Savary Law, dealing with the university system, was abrogated and replaced by a measure giving more autonomy to individual state universities. Mounting costs prompted the government to propose an increase in the university enrolment fees and stiffening of the academic structures of authority. This move was perceived as re-opening of the discussion on selective entry, an explosive issue which no government had dared to re-examine since the turmoil of the sixties.³⁴ The bill evoked a massive march on 4 December 1986. The march invited the wrath of police brutality, resulting in the death of a student. Mitterrand had already expressed cautious sympathy for students. Accused of having blood on his hands, Chirac sacked the minister for Higher Education, Alain Devaquet, and withdrew the bill that he had obliged hapless Devaquet to sponsor.

As in 1968, these events provoked strikes and demonstrations elsewhere in the public sector. The chain of protest came as a warning to the government. The message got conveyed to Chirac that his rhetorics would not necessarily carry the country with it, especially if it impinged upon people's *droit acquis* in a tangible way. Chirac learnt the lesson and the rest of his tenure saw no equivalent confrontation with sections of the public at large. The presidential election was much too close for that.

³³ Michael M. Harrison, *France's uncertain transition*, n. 2, p.393.

³⁴ Maurice Larkin, n. 4, p.394.

Cohabitation gave Chirac more effective power than any other Prime Minister since the beginning of the regime. Paradoxically, this advantage was also a liability for a man with presidential ambitions, with only two years to realize them. He was not only obliged to be on his best behavior but also be seen trying to make cohabitation work well. More so, he would be held responsible for the day-to-day divisive issues of domestic policies with their direct impact on the lives of electorate. The presidential election would come too soon for the long-term benefits of any unpopular measures. Along with it, the very nature of these unpopular measures would be seen as the work of right-wing partisan government, undoing what their socialist predecessor had achieved. At the same time Mitterrand's critical hesitations before signing them and his invitation to government to think again would project him to the public as wise 'Father of the Nation' rather than someone refusing to admit the defeat.

And this was exactly what happened. The slim majority of the government forced Chirac to bypass possible defeat in parliament by resorting to alternative methods of legislation, which, in turn, enabled Mitterrand to wrap his hostility to Chirac's measures in the flag of democratic principle. Although, he was ultimately unable to present them from becoming a reality, his apparent concern for the will of the people helped him in gathering popularity for the 1988 presidential elections.

In addition, the socialists out did the Right at its own game, i.e. using the Constitutional Council to slow down the legislation of the government. The Right had ruthlessly used the Constitutional Council to obstruct reform programmes of the socialists, demonstrating that Council was a weapon more useful to the opposition than to the government. The lesson was not lost on the socialists. Over a third of Chirac's first year of legislation

went this way. To the disadvantage of the Right, the Council declared over half the measures wholly or partially unconstitutional. The Right which upheld the Constitutional Council as a guardian of legislative rectitude, now denounced it as seeking to be a third parliamentary chamber thwarting the democratic will of the people expressed in 1986. The socialists retorted by asking who taught it to behave that way. While most of the legislations with modifications were passed, the delay and compromises made by the government did not augur well for it, for it had only two years to make its mark before the presidential election.

The most important factor that was in Mitterrand's hand was to choose, the date of the presidential election. Mitterrand allowed the government to work, till the presidential election, through minimizing its effectiveness and achievements and without actually obstructing it. He kept a certain authority at the same time distanced himself from the day to day operations of the government. A position above the fray that, it turned out, increased his popularity leading to his victory in 1988. Mitterrand had certainly reaped more benefits than Chirac from the situation. But most importantly, cohabitation, though not an ideal situation, could work in Fifth Republic was confirmed in these two years.

The Second Cohabitation

In 1988, the French voters reelected Mitterrand and a socialist plurality. Five years after that, in 1993, they voted his Socialist Party out of power in a landslide unequalled in the French Fifth Republic. The French parliamentary elections held in March 1993 brought a crushing defeat to the French Socialists and effectively transferred power with three fourth majority

to a coalition of conservative parties. The right wing returned to the previously dominant position that it occupied from 1958 to 1981.³⁵

Mitterrand once again faced the alternatives of resignation or another bout of cohabitation. But as in 1986, he had made it clear that he had no intention of resigning and will complete his term. The RPR's electoral success gave it first claim on the premiership. Chirac was still determined to be the party's presidential candidate in 1995 and the experience of 1986-88 had cured him of any desire to be a cohabitating premier in the run-up to the presidential election so that the choice fell on Edouard Balladur, a leading figure in Chirac's ministerial team, and Mitterrand appointed him as the new Prime Minister. It was understood by Chirac at least – that Balladur would not use his office as a springboard for a presidential bid himself. Initially, he also seemed to harbour few aspirations for presidency making his relation with Mitterrand was quite cordial.

Balladur distributed ministerial portfolios in a way that ensured him the support of each of its major sections. Moreover, Mitterrand centred his interest on European Union(E.U.) and there was much less likelihood of his intervention in domestic matters. His illness limited his energies as well as excluded any long-term personal ambition. Unlike Chirac in 1986, Balladur initially was not expected to be a candidate in the next presidential election seeking to diminish him by day-to-day minor humiliations on behalf of whoever would be the socialist candidate.

Balladur government made a departure from 'ni...ni' policy of the previous Socialist government and embarked on a major privatization drive. The autumn of 1993, government privatized Banque National de Paris

³⁵ Campbell, Feigenbaub, Linden, Norpoth, n. 3, p.202.

and the Rhone-Poulenc chemical giant. In February 1994, Elf-Aquitaine oil company was sold with three quarters of share were distributed among 3.1 million purchasers. Government's share in it was brought down to 13 percent. In May 1994, UAP insurance group was privatized. 1.9 million people bought shares of this group.³⁶

Renault, as always, was a more sensitive item, being symbol of the Liberation's triumph over collaboration. But, it had been experiencing difficulties. The government thereupon announced its intention to put Renault on the market but with the state retaining most of the capital until the future of the firm was clearly assured. 30 percent of the holdings was sold in November 1994.³⁷

Other firms marked for future privatization were AGF insurance and Bull computers. Usinor-Sacilor steel conglomerate became private in 1995. The last concern to be privatized under Balladur was the state tobacco Company, Seita, in February 1995. It not only brought the government a welcome 5.8 billion Francs but it also got rid of an embarrassing moral liability of which the health lobby had condemned only time the government got capitulated was when it proposed to privatize Air France. The paralyzing ~~strike~~ of Air France workers forced the government to abandon its proposals. But tough talking abroad balanced capitulation at home. In the last months of 1993, Balladur made himself the spokesperson of the European Union farming interest at the resumption of GATT talks in the Uruguay Round.³⁸

³⁶ Maurice Larkin, n. 4, p.410

³⁷ Ibid p.410.

³⁸ Ibid, p.410.

Balladur's continuing dilemma during his tenure was how best to reduce financial deficits while, at the same time, seeking to raise economic growth and employment. The EU's single European Market was inaugurated and for France to remain competitive within it and achieve eligibility for entry into a single European currency in 1999, the government had to reduce its budget deficit. Specifically, this entailed an overhauling of the taxation system. But he refrained from doing so fearing the alienation of voters before 1995 presidential elections. Not only did he eschew raising taxes, but also he proposed cutting them in 1994 for large or needy families. He increased the revenue minimum d'insertion (a form of income support) and extended the range of housing benefits claiming that his benevolence was justified by the need to increase consumer spending.³⁹

Balladur certainly could not overcome the evils of economic problems. One of the major issues that kept threatening him was Unemployment. During his tenure unemployment rose from 11.1 percent to 12.4 percent with nearly 1,40000 jobs lost. At the same time work force grew by 159,000.⁴⁰ Unemployment also threatened the very policy of economic rigour, lower tax revenues and increased social spending sent the government's soaring. Public anger, with unemployment ignited demonstrations and clashes with police. When in March 1994, Balladur came up with a plan to reduce the minimum wage by 20 percent where employers provided job training, a wave of protest followed from the university and high school students. Government's offer to amend the proposal did not stop the demonstrations and Balladur finally withdrew the proposal.⁴¹ By backing down the government avoided violent clash but made itself weak. Balladur

³⁹ Ibid , p.411

⁴⁰ Patrick Mccarthy, France in the Mid- 1990s : Gloom but not Doomed, current History, Philadelphia, November, 1994, p.367

⁴¹ Ibid.

based his strategy on his reading of French history: clashes between the centralized states and grass roots protesters lead to violence and undermine the state. He chose the path of conciliation which crippled his government's ability to take action.⁴²

During his tenure Balladur did not face any major opposition from Mitterrand in the day-to-day functioning of the government. Even on the issue of privatization he sailed smoothly. GDP rose from 1.3 percent to 2.8 percent during his two years as premier. France's favourable trade balance was second only to Germany's and its inflation rate of 1.7 percent was more than only Switzerland and some Nordic countries. The debit side was of course unemployment. Mitterrand in these two years concentrated his energy on European Union and his illness. As a complementary gesture Balladur did accept his authority in the field of defence and foreign affairs and did not intervene.

⁴² I bid p.367

CHAPTER III

Socialist-Communist Relations and Mitterrand's Presidency

The socialist – communist relations or, rather the political alliance, always walked on a tight rope. The coming together of the two parties were mostly based on political exigencies, but were not always guided by turn of political events.

Certainly, there was convergence on ideological path as well. At the same time, the differences on political issues from the ideological point of view caused the break-up of the alliance frequently. The failing of the alliance severely damaged both the parties electorally.

But, the two ballot electoral system in France always provided them with an opportunity to come together on the second ballot even if they failed to come to an agreement prior to the first ballot. In 1981 presidential election, the socialists and the communists put up their own candidates initially. On the second ballot, the central committee of the Communist Party urged the communist voters to support the socialist candidate Francois Mitterrand , as nothing ought to be neglected to bring about a right wing defeat.¹

When the first socialist government was sworn in after June 1981 National Assembly elections, Mitterrand invited the communist to join the

¹ M.Aderth, *The French Communist Party A critical History, (1920-84), From Comintern to 'The Colours of France'*, Manchester, Manchester University Press, 1984, p.259.

government, and they obliged. The communists remained a part of the government till 1984. And when Mitterrand replaced Pierre Mauroy with Laurent Fabius, the communists expressed their inability to be the part of the new ministry. Between 1984 to 1995, the socialists governed France for seven years and the communists remained in the opposition.

This chapter will study the cause of the left victory in 1981, why Mitterrand invited the communists to join the government, the reason behind communists acceptance of the offer, their relation within the government and to analyse the situation that led to the communist withdrawal in 1984. A comparative study of the electoral performance of the Socialist Party and the Communist Party in the period between 1981-95 will also be made to ascertain who gained and who lost and at whose cost.

The periods of amicable co-operation between the two parties around the 1967 legislative elections, in the drafting of the common programme in 1972, and in the governance of France after 1981 have been matched by the disarray of the left during the upheaval of 1968, the presidential election of 1969, the demise of the common programme in 1977, the failed hopes for victory in the 1978 legislative election and withdrawal of the communist participation in the government in 1984.

The resignation of Charles de Gaulle in 1969, after losing the referendum on regional government and reform of the senate, precipitated the country into feverish preparation for an unexpected presidential election. This halted the process of a socialist reconstruction, which was on to bring all the socialist groups under one umbrella party at Alfortville congress in 1969. The Congress got entangled with problems of deciding on the presidential candidate. Guy Mollet, the leader of SFIO, blocked any chance of having a

candidate of united left. He not only rejected the call of Mitterrand's CIR (convention des Institutions Republicaines) to postpone the Congress, that would have allowed time for talks with the communists, but he took shelter behind the letter of the 1958 constitution to block any common programme with the communists on which a single left candidate could stand. He argued, in his letters to Mitterrand's aide Estier, that given the 'arbiter' role ascribed the President under Article 5 of the French Constitution; the President was not a chief executive and, therefore, did not need a programme.²

For the French Communist Party, it achieved a remarkable score in the presidential election of 1969. The socialists having refused a joint left wing candidate, seventy-two year old Jacques Duclos was put up as a PCF candidate. He conducted his campaign by saying that he wanted to represent 'the union of working class and democratic forces'.³ Duclos secured more than one fifth of the votes casted and surprised everyone. The socialist candidate, Gaston Defferre, cut a sorry figure with his 5.1 percent. On the second ballot, the PCF advised voters to abstain, claiming that a choice between Pompidou, a Gaullist, and Poher, a centrist, was really a choice between, as Duclos put it, *blanc bonnet* and *bonnet blanc*.⁴ The fact that nearly nine million people actually abstained (30.9 percent) was hailed as a second victory of the party.⁵

Towards the Common Programme of 1972

The signing of the Common Programme in June 1972 was preceded by a three year battle during which tough negotiations took place between the two

² D.S. Bell and Byron Criddle, *The French socialist party, The Emergence of a party of Government*, second edition, Oxford, Clarendon Press, 1988, p.52

³ M. Adereth, no. 1, p. 198

⁴ It is six of one and half a dozen of the other.

⁵ M. Adereth, no. 1, p. 198

main partners- the PCF and the PS.⁶ In addition, each party was trying to put its own house in order. For the PCF, the process included the holding of its 19th Congress in February 1970, and the adoption of a programme 'Changing Course' in October 1971. The 19th Congress was important politically and organisationally. Politically, it reasserted the party's commitment to 'advanced democracy' as a transitional stage towards socialism. It also rejected the views of Roger Garaudy who wanted the party to drop Marxism as its 'official philosophy'. The leadership replied that it was 'a guide to action' and not an 'official philosophy'.⁷ The organisational importance of the 19th congress was the removal of Garaudy from the leadership and the election of George Marchais to the post of Assistant general Secretary.

The adoption of *Changer de cap* (changing course) in October 1971 was meant as a contribution to the talks on a common programme with the socialists. It included a number of socio-economic measures to improve working people's lives, proposals for 'democratising' France's political system, profound structural reforms such as nationalisation of the monopolies and the main industrial firms, and economic expansion and fiscal reforms, and a foreign policy programme based on disarmament, peaceful co-existence and international co-operation. The final section declared that only a government of 'popular union' could achieve these aims and that the programme presented by the PCF was not a take-it-or-leave-it package deal but a basis for discussion among the left.⁸

⁶ The negotiation opened in December 1969 and resulted in the publication of a balance sheet in December 1970. The report recounted agreements and disagreements of the parties. Disagreements featured strongly in the field of foreign policy (EEC, Atlantic Alliance etc.) And there was dispute too over 'alternance' - the retreat from power of a left government when beaten. On economic policy, the PCF showed every sign of being able to push the socialists well to the left on nationalisation, largely because little socialist economic doctrine existed with which to resist such pressure.

⁷ M. Adereth, p.200

⁸ Ibid., p.201

The socialists of different groups after biting the dust in the presidential election, gathered for another Congress at Issy-les-Moulineaux in July 1969. The Alfortville Congress, for one writer, was less the founding congress of the PS than the congress at which the SFIO committed suicide.⁹ At Issy-les-Moulineaux, the 800 delegates were confronted by four motions of significance. Little was there to choose between the four motions as all talked about a need for left unity. The Congress further voted a political resolution which seemed to anchor the socialists to a “union of the left” approach. The union of the left constitutes the normal strategic axis for socialists. The party prohibits all alliances with the forces representative of capitalism. It must, without preconditions, enter into and pursue a public debate with the Communist Party.¹⁰

The organisational structure was rather more reminiscent of the *status quo*. Some changes were agreed. The title of the party leader was changed from General Secretary to First Secretary with the intention of instituting a more collective form of leadership. But on the far more important question of proportional representation of all groups on the leading organs of the party, the old guard triumphed. And Alain Savary was elected the First Secretary.

The new party’s strategic orientation – left unity- was not clear in detail. The decision to talk to the PCF was open to varying interpretations. Alain Savary favoured talks on general philosophical and doctrinal question like ‘socialism’ and ‘democracy’; where as anti-communist Right wingers like Arthur Notebart of the North Federation wanted no talks at all; Pierre

⁹ Portelli H., *Le socialisme francais tel qu’il est*, PUP (paris), 1980, p.102

¹⁰ R. Verdier, *PS-PC, une lutte pour l’entente*, (Paris, Seghers, 1976), P.262, Also, see D.S.Bell, Byron Criddle, *The French Socialist Party, The Emergence of a party of Government*, Second edition, Oxford, Clarendon Press, 1988, p.55

Mauroy wanted the talks hedged with conditions; and CERES(Centre d'Etudes de Recherches et d'Education Socialistes) wanted a quick march forward the signing of a common programme.¹¹

Mitterrand remained absent through all these events. He had even detached himself from the socialist parliamentary group. Though Mauroy, Deferre and CERES possessed opposite views in their attitude towards the PCF, they commonly disliked Mollet and had an interest in bringing Mitterrand and CIR into the party as a weight to tilt the balance against Savary and his supporters. For Mauroy and Deferre, a strengthened party was an essential precondition to deal with the PCF, and Mitterrand was an essential ingredient in a process of building up the party prior to such a confrontation. For, he was still the only leader of French Left of proven electoral worth at national level.¹²

After many debates the various factions within Socialist Party came to an agreement on its programme in March 1972 called "Changer La Vie". But no sooner was the socialist programme, *changer la vie*, published than it was forgotten; it was a document setting out a negotiating position for the talks with the PCF but without committing the party on any detailed points of policy.¹³

Common Programme

The Common Programme was reached upon by PCF and PS on 27 June 1972. Although the signing of the Common Programme was a great victory for left unity, it soon became apparent that the two parties had been

¹¹ D.S Bell., Byron Criddle, no. 2, p. 56

¹² Ibid., p.56

¹³ Ibid, p. 70

actuated by very different motives. Francois Mitterrand stated clearly : “Our fundamental objective is to build a new a great Socialist Party on the ground which is occupied by the communist party itself, in order to prove that out of the 5 million communist voters, 3 million can vote the socialist. This is the reason for the agreement”.¹⁴ While Mitterrand’s intention was to weaken his communist rival, for Marchais it was to create the most favourable conditions for setting the masses in motion around the communist ideas, solutions and goals.

The left unity continued through the parliamentary elections of 1973, in which both the parties were benefited in terms of votes, and the presidential election of 1974, where PCF supported Mitterrand’s candidature as a single left candidate. But this election also strained the PCF-PS relations. For Mitterrand avoided reference to the Common Programme during his campaign. And the communists complained that PS’s project for a Socialist Society had made it forget the less ambitious but much more urgent common programme.

The Death of Common Programme & Left Unity

In the light of the changes occurred between 1972-77, PCF proposed joint meetings with PS and MRG to “update the common programme.” It led to bickering on several issues ranging from numbers of firms to be nationalized to defence policy to Atlantic Alliance. While the Socialists accused the communists of over bidding its partner, the communists saw it as a retreat of PS in the face of victory. Though, the two partners agreed to withdraw their candidates at the second ballot in favour of the best placed left candidate, the final results went against the Left. But, for the first time in

¹⁴ Le Monde, Paris, 30 June 1972. Also see, M.Adereth,no.1, p.203.

the Fifth Republic the Socialist party secured more votes than the Communist Party.

The next occasion was the presidential election of 1981. In October 1980 the PCF National Conference decided to put up a communist candidate, George Marchais, for the April 1981 presidential election, George Marchais. The PCF leadership admitted that the object of the exercise was to secure a sufficiently high number of votes in the first ballot to compel a victorious Mitterrand to form a Socialist-Communist Coalition and implement the far reaching reforms.¹⁵ The decision to field a communist candidate was described by the PCF leadership as an application of the 23rd Congress tactic of building unity step by step through a series of battles.¹⁶ Mitterrand's candidature was confirmed at a special Congress at Creteil in January 1981.

The Presidential Campaign

Mitterrand entered the presidential race with his "110 propositions" adopted at the special congress. He also had two distinct advantages. First, he was seen as a candidate of recognizably presidential stature, having personified the left opposition for years and thus a hope for all those who wanted a change of government. Secondly, he was running against an incumbent president, heading a deeply unpopular government and under attack from all sides for high inflation, unemployment and failure to deliver the substantive reform promised.¹⁷

In his campaign, Mitterrand concentrated upon Giscard d'Estaing and on his most obvious flaws at home; i.e., unemployment and

¹⁵ Ibid, p.255.

¹⁶ Ibid, p.256.

¹⁷ D.S. Bell and Byron Criddle, no. 2, p.110.

abroad, i.e., a conciliatory stance towards the Soviet Union, criticizing him for being the first western leader to meet Brezhnev after the Afghanistan invasion. Mitterrand made little or no response to the demands or attack made by the communists and specially to reject any deal on ministerial posts unless the PCF fell in line with PS policies.¹⁸

Marchais, on his part, described himself as the anti-Giscard candidate. He claimed that a vote for him was a vote for a policy which required more than voting, action. He came out with 131 proposals which is called "plan de luttes" and exhorted the people to fight for it. However, the PCF, which had gradually returned to a bolshevik conception of its role and come around again to regarding the Socialist Party as a bourgeois party, did not spare Mitterrand too. PCF repeatedly proclaimed : "the gang of three, Chirac, Giscard and Mitterrand : their policies are same".¹⁹

The result of the first ballot eliminated Marchais from the presidential race. Not unexpected even from the PCF's assessment but his vote share was below expected and hopes of a massive PCF vote were shattered. He got only 15.3 percent, where as opinion polls had credited him with 18 to 19 percent.

Mitterrand emerged victorious in the second ballot, defeating Giscard by a margin of 3.5 percent votes. That the PCF would support Mitterrand had become clear earlier when Marchais had said in a T.V. interview that he would never vote for Giscard and that he would rather not have to abstain.²⁰

¹⁸ Ibid. p.111.

¹⁹ Francis Thicker, *The communist party and the government of the left in France*, in Stuart Williams ed. *Socialism in France*, London, Frances Pinter, p.165.

²⁰ M. Adereth, no. 1, p. 257

As soon as the presidential election results were known, Marchais congratulated Mitterrand and said that the PCF was "ready to assume all its responsibilities, including that of taking part in the government".²¹ But, Mitterrand and PS both were reluctant to commit themselves without securing definite PCF guarantees. No decision could be taken till the General elections, called by the President in the hope of getting a left-wing parliamentary majority. Both the parties contested the elections separately, in which voters responded to president Mitterrand's request that he be given the means to govern.²² The Socialist Party secured 269 seats, thus, an absolute majority, while the communists suffered its worst electoral defeat and got 44 seats.

An agreement was signed between PCF and PS, a day before the appointment of second Mauroy government that paved the way for the inclusion of the communists in the government. This was in contrary to the nation of the PCF that the principal danger to be avoided at all costs was the accession to power of PS in a dominant position with respect to PCF. That was what happened. The communists were allotted four relatively minor ministries. The PS expected opposition from the Right and wished to avoid opposition from the communists, who did not raise many objections. In addition, it also meant that PCF would remain a junior partner in the government and at the same time restricted from being an outside critic.

In the PCF-PS governmental accord of 24 June 1981, the two parties agreed on a broad range of social policies, transfer payments and proposed new rights for workers in industries. The directors of the

²¹ Ibid, p.261

²² Le Monde, 9 June 1981.

nationalized firms were to be appointed by the government and not elected by worker committees as the PCF had advocated in September 1977.²³ A significant part of the agreement was the reference to the 'unbroken' government solidarity expected from the signatories, although the statement went on to say that each party remained attached to 'its own personality' and its own 'fundamental position'.²⁴ Thus the PCF Deputies retained the right to make 'constructive criticism' of the government. After the May 1981 elections the PCF maintained an ostensible commitment to the government, whilst using the CGT (The Trade Union Attached to PCF) to probe the factory floors for any chance to make capital out of the unpopularity of the cuts imposed after mid-1982. CGT, ofcourse, was not bound by any solidarity, sans faille (unbroken government solidarity), with the predominantly socialist government, and although it has expressed its willingness to co-operate with it, it has also made it clear that it would press for bolder measures as and when required.²⁵

Despite being the part of the ruling coalition, PCF statements regarding the government continued to be ambiguous through 1981. Roland Leroy, the editor of L'Humanite, at the Fête de L'Humanite in September, defined the PCF as a 'parti au gouvernement' (party associated with government) rather than a 'parti de gouvernement' (a government party).²⁶ But in December 1981, Marchais labelled the government measures as positive, and used the word 'we' in referring to it. He also stressed in a further effort to

²³ Antonian Armen and Wall Drwin. *The French Communist Under Franceois Mitterand*, Political Studies, Vol. 33, no. 2, June 1985, p.259.

²⁴ M. Adereth, .no. 1, p.264.

²⁵ Ibid,p.265.

²⁶ Antonian Armen & Wall Irwin, no. 23, p. 259

justify communist presence in the government to recalcitrant hard-liners, that the PCF was in government to battle the *patronat*.²⁷

The first Congress of the Communist Party, after joining the government, declared that the victory of Francois Mitterrand had opened a new period in French political history and placed socialism on the immediate agenda.²⁸ The union of the left was a necessary vehicle to achieve a French Socialism, but the union of the left had to be redefined at every stage of the popular struggle. The PCF had been justified in its refusal to 'capitulate' to the Socialist Party in 1977, and the political situation would not have advanced to its current status had the party not held firm.

Immediately after the Congress, the continual elections of March 1982 saw the Socialist Party suffered significant losses and again confirmed the poor electoral showing of PCF in 1981. On 21 March 1981, the PCF politbureau issued a statement condemning the right wing's 'demagogue' and urged the government to carry out its policies on which it was elected, and finally pledging that the PCF would "continue to assume all its responsibilities".²⁹ In May 1982, Marchais argued that, should the PCF leave the government, the results would be disastrous: unity must be strengthened and enlarged.

But soon, the economic realities started drawing upon the government and Mauroy announced his new austerity programme by freezing wages and prices for three months- a clear *volte-face* running counter to the previous policy- and the PCF was visibly unhappy. In October 1982, the

²⁷ Ibid.

²⁸ L'Humanite, Paris, 13 October 1981.

²⁹ M.Adereth ,no.1, p.270.

leader of the communist Deputies, Andre Lagoinie, criticised the government's concession to pressure by the French *patronat* and the Right, a theme which became increasingly strident. These remarks came immediately after the atonement of Roland Leroy for remarks made a year earlier. At the *Fête de L'Humanite* in September 1982, he said that the PCF was not half in and half out, or 50 percent for and 50 percent against the government: the PCF was unequivocally 'in' the government.³⁰

In March 1983, the 'plan de rigueur' was launched. Apart from other measures, it included cutting of aid to old industrial areas. The communist criticism grew. Marchais displayed great skill in his criticism because the union's reaction had been hostile, and at the same time taking care not to destroy the Left unity. He declared that the PCF was not against 'rigour' *Per Se*. The 'rigour' which communists wanted was the strict management of economy, one which took into account existing realities as well as people's long-term needs and interests thus implying that the government's measures were not a serious, rigorous way of tackling the country's economic problems.

Nevertheless, it continued in the government claiming that the party agreed with the plan's objectives but not with the means chosen to achieve them. But the CGT now called for the PCF to exercise 'reasonable autonomy' vis-à-vis the government.³¹

The most severe blow from the socialist government came when it announced its steel plan in March 1984. The PCF decided to participate in the steel worker's march on Paris. It sent a small delegation which was headed by none other than Marchais, which declared that the PCF government

³⁰ Armen Antonian & Wall Irwin, no. 23, p.261.

³¹ Ibid. p.262.

participation was not 'unconditional', but rested on a clearly defined policy.³² This led to the socialist demand a 'clarification' of the PCF's position. Mauroy consulted Mitterrand and decided to seek a vote of confidence in parliament, hoping it would drive the communists into a corner. If they voted for him, they could hardly go on criticizing him and if they voted against or abstained, their ministers would have to go.

The Communist Deputies voted for the government, since it was for an endorsement of its general policy and not the steel plan as such. The communist claimed, there after, that they had asserted their commitment to left unity, and to the government's broad objectives, and at the same time their right to put forward their own proposal for the implementation of such aims. But the Socialist Party, though glad of having won the parliamentary support, pointed out that the PCF was inconsistent and that its words contradicted its vote, to which the PCF replied that there was no contradiction between the two because the left wing government was powerless without the working people's support.

After 1983, the socialists, facing a menacing international economy, domestic economic difficulties and a collapse of electoral support, had begun a Cultural Revolution cutting their ties to a left past. Class analysis of the social world and proposals for redistributing wealth and power to transcend capitalism were replaced by a new technocratic modernism.³³ A new project had replaced the old one, which sought to isolate the 'extreme' left and Right- i.e. The PCF and the Gaullist- and to govern from the centre

³²M.Adereth, no. 1, p.274.

³³ Jane Jenson, George Ross, The Tragedy of the French left, London, New Left Review, No. 171, Sep./Oct. 1998 p.41

with an eventual 'opening' to Christian Democrat and moderate liberal elements from the existing centre-Right coalition.³⁴

With the socialists committed to 'modernisation' course of industrial surgery, plus new unemployment, which directly attacked the PCF's core working class base and the disastrous performance of the communists in June 1984 European parliament elections, which was generally bad for entire left & necessitated change of the government, the debate within the PCF sharpened. Mitterrand choice of Laurent Fabius, a youthful technocrat, as Prime Minister, didn't go down well with the communists.³⁵ The result of the European Parliament elections was interpreted by the PCF as mass repudiation of the policy of rigour. But Fabius would not compromise with the policy of rigour and appeared to threaten its intensification.

The Socialists still wanted the communists in the government. For, the PCF's presence provided a certificate of left-wing authentication, an expanded social base and the promise of continued labour peace.³⁶ Mitterrand repeated that he looked past the party and its criticisms to the broader issue of the political integration of its electorate.

Nevertheless, it was clear that the PCF hoped to avoid any further electoral decline and reap the benefits of the apparent collapse of the socialist's base support. Both the liberals and the hard-liners within the party were able to agree on the need for the party to differentiate itself from the socialists. And the Central Committee meeting on 18 July 1984 decided on

³⁴ Ibid p.42.

³⁵ AntonianArmen & Wall Irwin, no. 23, p.273.

³⁶ Ibid

continued critical support for the government but withdrew the communist ministers.

The 'Frontists' within PCF, who later came to be known as 'renovators' after favouring dissociation with the socialists, the core of the leadership of PCF lined up behind militant autonomy and Marchais fully in charge, the 25th congress in 1985 came up fully in favour of militant autonomy. In 1985 congress, PCF resolved that "the last twenty-five years of Union de la Gauche"(Union of the Left), of dealing with socialists "at the summit", had been a profound mistake. What was necessary was a militant "anticrisis" struggle to mobilize ordinary people in a "new majoritarian popular rassemblement".³⁷

And, it became clear that the socialists and the communists would contest 1986 legislative elections independently. The communists in the election maintained that the "Socialists were selling out the programme and hopes of 1981 and that socialists were indistinguishable from the Right where it mattered to the 'working class'. The Right and the socialists were portrayed in L' Humanite as *bonnet blanc* and *blanc bonnet* and the socialists accused of preparing to govern with the Right. Following the election the communists pressed their theme further by citing the co-existence of Mitterrand and Chirac as evidence of the lack of any difference".³⁸

The 1986 elections further underlined the erosion for the communists base and the failure of militant autonomy strategy. Its vote share dipped to 9.8 percent. The socialist party emerged as the largest party of

³⁷ George Ross, *Party Decline and Changing Party Systems, France and the French Communist Party*, Newyork, Comparative Politics, oct.92, p.53

³⁸ D.S. Bells, *Byron criddle*, no.2, p.266

France, though it lost the election and its vote share too fell by over 5 percent. The Socialist Party, indeed, was benefited from its changed strategy of “wooing voters away from the Right with an appeal to the traditional virtues of patriotism, administrative efficiency and change within continuity, packed as ‘modernistic socialism’. By 1986, therefore, the Socialist Party was calling for an ill-defined modernism and preaching the virtues of their balance sheet”.³⁹

In the aftermath of 1986 election results, the crisis in the Communist Party deepened with differences coming out in open. There was a new explosion within the party coupled with petition for a new congress, protests, newspaper advertisements, television and radio interviews. It formalised a parallel renovator organisation inside the party.⁴⁰ In May 1987, George Marchais was dropped as the presidential candidate but his replacement Andre Lajoinie was ideologically of the same stamp. Appalled by this ‘lost opportunity’ of renovating the party and its image, renovateur (revisionists) put up a rival candidate in Pierre Juquin.

The socialist candidate Francois Mitterrand, in his campaign free of communist pressure, shed all his socialist pretensions. His principal campaign statement, *lettre a tous les Francais* (Appeal to all French), was expressed in soothing consensual terms and contained little discussion of socialist intentions. He stressed a need for “an opening to the centre”.⁴¹ Marxism, class-analytical perspectives, notions of socialist transition and even stress on equality and anti-capitalism were all deposited in the dustbin of

³⁹ *Ibid*

⁴⁰ M. See foot note 5.

⁴¹ Maurice Larkin, *France Since The Popular Front, Government and People 1936-1996*, Oxford, Clarendon Press, 1997, P.394

history.⁴² Mitterrand managed to focus a great deal of attention on his *persona*, an image of sage tranquillity who had seen and understood all and whose experience would guide troubled France new and safe harbours. He laid particular stress on his national, unifying role in French politics.

All this certainly paid handsomely. Mitterrand not only emerged front runner on the first ballot, but he substantially advanced his performance compared to 1981. He defeated Chirac by a margin of 9 percent votes. The official communist candidate registered worst ever performance by securing 6.76 percent of votes in the first ballot.

Neither political principle or serious change mattered for Mitterrand and most of the socialists in 1988. The point of the exercise was to fish votes in the most 'modern' ways, targeting key constituencies with subtle appeals of one sort or another. In the legislative election following Mitterrand's victory, the socialist candidates were marked more as supporters of Mitterrand rather than bearers of specific programme".⁴³

The socialists emerged victorious in the legislative elections but fell short of absolute majority by a thin margin. But one surprising outcome of these elections were a slight upward trend in electoral support for the PCF. In contrast to 1986 legislative elections and 1988 disappointing presidential election, it regained ground and secured over 12 percent votes.⁴⁴

While the socialists were ruling France, the communists were grappling with crisis within the party. 'Reconstructors' replaced renovators,

⁴²Jane Janeson, George Ross, no. 33, P.13.

⁴³ Ibid p.43

⁴⁴ Maurice Larkin, n.41, p.399.

who were beaten back by disciplinary actions and expulsions. They were explicitly Gorbachevian, advocating *glasnost* and *perestroika* inside a reconstituted party, which would allow open currents and pluralized debates and had resolute determination to stay in the party and fight.⁴⁵ In the 1989 European elections, the militant autonomists sabotaged party election campaigns resulting in a mere 7 percent vote for the party. The rebel rank grew in the face of the Soviet and East European collapse with Charles Fiterman and Jack Ralite, the two ex-ministers, declaring interest in 'refounding' the party and moved towards reconstructors. French communism was on the ropes and it was not clear how much was left to struggle over.⁴⁶ In spite of all this and abject failure of Marchais, he was re-elected at the party's 1990 congress as the General Secretary of the Party.

The government-communist relation was restricted to voting together only on these measures taken by the government which the communists thought to be pro-people. Given the minority status of the Rocard government, it was obliged to take support either from the Right or the Left. It used both the options according to the nature of the legislation.

By the end of the 2nd inning of the socialists in power, it was tainted by corruption and a mounting unemployment and the poor economy indicated its defeat in the 1993 legislative elections. The socialists did at least manage the traditional second-ballot deal with the communists, who honoured the deal with the socialists and supported whoever was the best-placed left wing contender. Even then the socialists got reduced to 70 seats and with a vote share of 17.62 percent the most spectacular collapse in their history. The

⁴⁵ George Ross, Party Decline and changing party systems, no. 37, p.54.

⁴⁶ Ibid.

loss of communists were not so big as feared and they almost held on to the number of seats as in the last parliament.⁴⁷

The French Left had touched a new low after 1993 National Assembly elections. Social questions had started splitting the political ecology. 'Alternative Left' voices had come up ranging from the Greens to Jlien Dray's Gauche socialiste and Gilbert Wasserman's Alternative Democratie-Socialisme (a result of PCF's erosion).

The socialist Rocard had started talking about 'bigbang', the creation of a movement uniting all those who believed in solidarity and transformation, from ecologists to socially minded centrists to reformed communists. It certainly provoked reaction on the French Left. While a section of Greens led by Brice Lalonde congratulated him on his willingness to abandon the label 'socialist' and accepted his outstretched hand, Antoine Waechter, who had rejected affiliations with the Left, called Rocard's proposal a 'Big Mac: a piece of green lettuce between two pink slices with a topping of red tomatoes'.⁴⁸ The PCF was even more truculent calling it a 'black hole' alliance with the Greens and the Right.⁴⁹

While the second septenary of Mitterrand was approaching its end, the French Left was also inching the same way. With its new 'centrist' approach, the Socialist Party was trying to break a new path. At the same time, the Left of the socialist were breaking its rank on the question of Republicanism. The communists themselves were in a fragile position. It no longer attracted support from the rebellious young people. The PCF was no

⁴⁷ Maurice Larkin, no.41, p.408.

⁴⁸ Bowd Gowin, 'c'est la lutte initiale' : steps in the realignment of the French left, *New Left Review* July / August 1994, p.73

⁴⁹ *Ibid*,

longer a national party and had only a few strong regional bastions like the Paris suburb and the north east. The tension within PCF had become strong between renewal and tradition, the only positive factor being the pluralism in the party, unprecedented in its history. May be the seeds of renewal had been sown.

On the Foreign Policy Front

Mitterrand's Foreign Policy propensities were born in the Cold War Fourth Republic when virulent atlanticism was a price of ministerial career. He was a Central Ministerial figure in almost all of the Left-Centre coalition governments of the Fourth Republic, displaying extraordinary political and doctrinal flexibility. The anti-Sovietism of 1970s in the French intelligentsia found its way into the Socialist Party, reinforcing Mitterrand's earlier leanings.⁵⁰

Mitterrand made foreign policy a virtually reserved domain. He had a 'grand design', albeit a socialist one. Socialist foreign policy was intended to combine Atlantic solidarity, a new Europeanism, a contribution to North-South dialogue, a rejection of indiscriminate arms sales, a concern for political refugees and an increased 'cultural role' for France, particularly in the Third world.⁵¹ Though it contained anti-sovietism, it did not mean a loss of independence vis-à-vis United States. The socialist foreign policy found its echo in the PCF- PS agreement before the communist ministers entered the government.

Both the parties committed themselves to "the simultaneous dissolution of all military blocs, to the reduction of armaments in Europe, to negotiations

⁵⁰ Jane Janson, George Ross, *The tragedy of the French Left*, no.33, p.11

⁵¹ D.S.Bell and Byron criddle, no. 2, p.166.

on the presence of Soviet SS20 missiles and the installation of American Pershing missiles, and to the withdrawal of Soviet troops from Afghanistan and an end to all outside interference.”⁵²

The PCF, had pursued two modes of action in its recent history, front *national* and front *populaire* with the former being dominant in the realm of foreign policy, meaning alliance with any one, excluding socialists, around a particular foreign policy objective of concern to USSR. This was because its attachment to the Moscow-based international communist movement, with Russian model being venerated as ‘the first socialist state’ whose foreign policy was seen as an expression of the world Revolutionary strategy to which communists are committed.

It is in this context that the foreign policy agreements need to be evaluated. The socialist-communist incompatibilities on foreign policy matters had lessened in the 1970 by the relaxation of international tension. During this period the PCF flirted with ‘Euro-Communism’; a phrase not particularly liked by the PCF. But it did not protest vigorously as it was anxious to show that like other western communist parties it had broken the ‘Umbilical Cord’ which had tied it to Moscow.⁵³ The Communist endorsement of Soviet actions were set against certain criticism of Russia and there was an impatience with Soviet Russia seeking acceptance of West European political stability. PCF, during this period, had accepted the rules of the French parliamentary democracy and, in a spectacular shift, endorsed the French nuclear force whose destruction they had long advocated. It saw ‘*Force de frappe*’ a vital element of French independence that would prevent French return to NATO and the establishment of West-European defence

⁵²M. Adereth, no. 1, p. 263.

⁵³M. Adereth, no. 1, p.245.

system.⁵⁴ A year later, the socialist too moved towards accepting the French nuclear force away from their earlier emphasis on world disarmament.

The Euro-Communist phase ended with a renewed concerns for Russian security threatened by the deployment of the Pershing missiles in Western Europe and a perceived 'turn toward the right' on the part of the socialists. As a tactical move the communists dropped their alliance with the socialists in 1978 elections, which was threatening to take it to power, a weak junior partner of dominant socialist, whose policies it would be unable to influence sufficiently. PCF was drawn back to *front national* and closer once again to the USSR which continued during and after 1981 election as well.

So, when agreement was signed in 1981 between PCF and PS, differences over Afghanistan, Poland and Euro-missiles were hidden by clever wording. Nevertheless, some observers saw it a total surrender by the communist.⁵⁵

On Afghanistan the PCF had supported the Soviet intervention. Therefore, in the face of the attack, PCF argued that it had always advocated the withdrawal of Soviet troops provided there was no outside interference and that it was mentioned in the agreement. The PCF further argued that both the parties need not agree on the origins of the Afghan crisis in order to agree about the role that the French government could play in securing a political solution.⁵⁶

⁵⁴ Stanley Hoffmann, Mitterrand's Foreign Policy, or Gaullism by any other Name, in George Ross, Stanley Hoffmann, Sylvia Malzacher ed. *The Mitterrand Experiment, Continuity and Change in Modern France*, Cambridge, Polity Press, 1987, p.295

⁵⁵ M. Adereth, no. 1, p.263

⁵⁶ Ibid p.264

The military *coup d'etat* in Poland in December 1981 once again brought the differences to the fore. Mitterrand government strongly condemned it with the silent consent of the four communist ministers. PCF, on its part, accepted the declaration of martial law by the Polish Communist Party as legitimate. PCF acquiescence in the Polish affair indicated the importance the party placed on maintaining its orthodox 'communist' identity during its stay in the government.⁵⁷

The relations between USSR and France improved in early 1983 when *Pravda* described the French reforms as progressive and also credited PCF with an affirmation of French independence in Mitterrand's decision to go ahead with the Siberian gas pipeline deal with the USSR despite American pressure to the contrary.⁵⁸ The Mitterrand government was particularly angry at the American attempt to prevent French branches of US companies 'exporting' machinery for Siberian gas pipeline. The French view was that American action was high-handed.⁵⁹

Apart from this small issue, Mitterrand proved to be one of the most precious supporter of President Reagan, especially on the issue of Euro-missiles. The differences between the PCF and the PS were most strong on this issue. The Socialist diplomats argued that negotiation on the withdrawal of Russian SS-20 missile had to be achieved through the installation of Pershing and Cruise missile by America.⁶⁰

⁵⁷ Antonian Armen and Wall Irwin, no. 23, p.259

⁵⁸ Pravada, 5 Jan 1983, Also see Armen & Irwin p.263

⁵⁹ Bell and Criddle p.167

⁶⁰ D. S.Bell and Byron Criddle, no.2, p.166

Accordingly Mitterrand, in his address to the German Bundestag, on 2 January 1983, firmly supported the American missile deployment, a position taken against the protest of the SPD's left-wing. Moscow counted on peace movements in Western Europe to foil plans to deploy American Pershings. But PCF's participation in the government appeared as an obstacle to the development of a peace movement in France. USSR criticised a western communist party, and by implication the PCF, for failure to do enough to develop the peace movement. Thus Marchais agreed in May 1983, prior to his July visit to Moscow, that the French missiles should be taken into consideration in Geneva disarmament negotiation. Marchais also proposed the 'Europeanisation of the Geneva talks'.

Mitterrand, meanwhile, steadfastly refused to allow the French nuclear forces to be considered in the Geneva negotiations. Marchais statement was a turnaround because the PCF had earlier approved Mitterrand's insistence that French nuclear forces must not be taken into consideration at Geneva. The abandonment of this position came when Marchais accepted the Soviet argument that French nuclear force must be 'taken into consideration' in evaluating the balance of forces between the two super powers in Europe.⁶¹

There was a clear gap in the views of the government and the PCF. The official Soviet sources freely told the French journalists in Moscow that USSR did not understand the reasons for the PCF's support to Mitterrand. But the visibly embarrassed communist ministers insisted that there would be no break with Mitterrand on Euro-missile question.⁶² The PCF support

⁶¹ Antonian Armen and Wall Erwin, no. 23, p. 264

⁶² Ibid.

of the CPSU on Euro-missile issue occurred at the same time as the party's alignment with the socialists. Undoubtedly, the PCF was expressing greater autonomy on foreign policy matters than on domestic issues, which was not a big concern for the socialists. PSF contended itself with putting forward its own views, but refrained from aggressively challenging the government. The PCF leaders believed that foreign policy should not be assessed in terms of Mitterrand's private views and wishes but on the basis of France's moderating role in international affairs.

The socialists also took integration with Atlantic Alliance more seriously, but the PCF sought to differentiate itself from the socialist policy that aligned France with, if not within, the North Atlantic Treaty Organisation (NATO). It organised peace rally in Paris, perhaps to mollify Russians while attracting those disenchanted with the socialist support for American policies.

Thus the PCF asserted its independent identity while remaining a component of the socialist majority. At the same time, it made clear that it would not leave the Government on foreign policy issue, asserting that the period of unconditional PCF alignment with Soviet positions had long since come to a close.

Electoral Performance since 1981 Presidential Election and Comparative Analysis

Presidential election (1981):

Name of the Candidate	First Ballot	Second Ballot
F. Mitterrand (PS)	25.8	51.8
G. Marchais (PCF)	15.3	
V. Giscard d'Estaing	28.3	48.2
J. Chirac (Gaullist)	18.0	

Source: Appendice : D.S. Bell and Byron Criddle, *The French Socialist Party, The emergence of a party of government*, second edition, Clarendon press, Oxford, 1988.

Presidential election (1988) :

Name of the Candidate	First Ballot	Second Ballot
F. Mitterrand (PS)	34.09	54.02
Andre Lajoinie (PCF)	6.76	
Raymond Barre	16.54	
J. Chirac (Gaullist)	20.0	45.98

Source : Maurice Larkin, *France since the Popular Front: Government and People, 1936-1996*, Oxford, Clarendon Press, 1997, Page-396.

Legislative Assembly Election (1981)

Name of the Party	% Of Vote	Seats
PCF	16	44
PS & Radicals	37.5	269 & 14
Conservatives & Gaullist	19 & 20	66 & 85

- Rounded up or down to nearest 0.5 %

Source : Appendice : D.S. Bell and Byron Criddle, The French Socialist Party, The emergence of a party of government, second edition Clarendon Press, Oxford, 1988.

Legislative Assembly Election 1986 **

Name Of The Party	% Of Vote*	Seats
PCF	10	35
PS & Radicals	32	209 & 7
Conservatives & Gaullist	45	291

** The number of seats was increased from 491 to 577 in 1986.

* Rounded up or down to nearest 0.5 %

Source : Appendice : D.S. Bell and Byron Criddle, The French Socialist Party, The emergence of a party of government, second edition Clarendon Press, Oxford, 1988.

National Assembly Election (1988)

Name Of The Party	% Of Vote *	Seats
PCF	11.32	27
PS & Radicals	36	278
Conservatives & Gaullist	18.49 & 19.18	130 & 128

The two ballot system was re-introduced in this election and the percentage given is the first ballot.

Source : Maurice Larkin, France since the Popular Front: Government and People, 1936-1996, Oxford, Clarendon Press, 1997, Page-399.

National Assembly Election (1993)

Name Of The Party	% Of Vote *	Seats
PCF	9.21	23
PS & Radicals	18	70
Conservatives & Gaullist	19.22 & 20.35	230 & 247

- The two ballot system was re-introduced in 1988 election and the percentage given is of the first ballot.

Source : Maurice Larkin, France since the Popular Front: Government and People, 1936-1996, Oxford, Clarendon Press, 1997, page- 408.

Between 1981 and 1995, PCF and PS never contested elections together, though they had second ballot agreements. A glance at the subsequent election results clearly shows continuous erosion in the electoral base of the Communist Party, except in the 1988 National Assembly election when its vote percentage went above 11 percent. In the same period, the Socialist Party emerged as the dominant party of the Left and experienced a spectacular rise in its electoral fortune. The two septenary of Mitterrand indeed brought a change in the political ecology of the French Left. He put the PCF on the margins of the French politics and turned the PS into a party of governance- something which he wrote in his book '*Ma part de verite*' in 1969, before embarking on a tough road towards the common programme of 1972. He wrote:

... the unity of the Left requires (*pas*se par) the Communist Party. But the unity of the left... is far from being a sufficient condition. Socialist democracy, in order to be able to exert its *leadership* (the English word is used) within the new majority, must extend its appeal on its left (left by the rigour of its economic programme) and on its right (by its political liberalism). Hence the importance I attach to the formation of political movement which can, first counterpoise the Communist Party, then dominate it, and finally detain by itself, in itself; a majority vocation (*une vocation majoritaire*).⁶³

Thus, Mitterrand was clear in his 'united front' tactics; making PS stronger at the cost of the PCF and was looking beyond the PCF to its working-class constituency. A day after signing the Common Programme, he told a meeting of the Socialist International in Vienna: "Our fundamental

⁶³ M. Adereth, p.1, p. 203.

objective is to build anew a great Socialist Party on the ground, which is occupied by the Communist Party itself, in order to prove that out of the 5 million communist voters, 3 million can vote socialist. This is the reason for the agreement (on the Common Programme).⁶⁴

For the PCF too, it was of paramount interest to hold on to its support and not allow PS to start dominating it within the Left, a concern that led to the fall of the alliance before 1978 National Assembly election. It was in this election that the PS, for the first time in the Fifth Republic, secured more votes than the PCF. The 29th Congress of the PCF again stressed the need for unity. It said that the unity must begin in action over a multitude of limited objectives, that it was action that led, not to one agreement 'at the top' but to a number of agreements, each one the result of popular struggles and a stimulus for further struggles.⁶⁵

Since the PCF had continuously accused the PS of turning towards the Right, a unity before 1981 presidential election was improbable. And both the parties decided to contest the election independently. For the PCF, it was to build a communist resistance to the socialist advance, knowing well that its candidate would not win given the existing political situation in France. But the performance of the communist candidate was a further electoral lodss for the PCF, a continuation of the process. The low vote percentage of Marchais was an indicator that Mitterrand had won support

⁶⁴ Ibid.

⁶⁵ Ibid., p. 248.

from the soft sectors of the PCF electorate, which was more, attached to the Left than to the PCF itself. The vote for the PS in the assembly election was thus a vote for constitutional stability.⁶⁶

The comprehensive data of 1981 and 1986 election shows the shift of the PCF base to the PS, including the working class. If the 1978 election showed the warning lights, the 1981 election saw the crash. In all the social categories the PCF's vote was half of the the PS. The party was buried everywhere, in all the regions by the avalanche socialist votes. 44 percent of workers voted for socialists as against 24 percent for the PCF.⁶⁷ Most damaging was its symbolic loss of dominance in the Paris region, the heartland of party's proletarian base since 1936.

The same trend continued in 1986 election. Though the vote share of both the parties went down, the Socialist Party remained the largest party in France and the PCF emerged as the biggest loser as its vote share plummeted to 9.8 percent. This trend remained irreversible, except in 1988 Assembly election when it went up by about 2 percent compared to 1986 election and again it followed the declining trend of previous election.

In the 1999 election , the socialists and their immediate allies saw their seats cut from 278 to 70, the most spectacular collapse in their history. The Communists could feel some relief that their losses were not so

⁶⁶ D.S. Bell, Byron Criddle, n. 2, p. 113

⁶⁷ Ibid , p. 136

great as feared, even if their 23 surviving Deputies were confined to inner-city and declining industrial area.⁶⁸

The electoral arithmetic confirms the success of Mitterrand's strategy for the Socialist Party, first to dominate the Communist Party and then to obtain majority on its own. But a year before the end of his second term he did undo that majority. On the other hand, the little attention paid to the PCF portrayed it as a marginalised organisation. The decline of the Communist Party is arguably the single most important institutional dynamic in the French party system's recent changes.

⁶⁸ Maurice Larkin, n. 41, p. 408

Conclusion

The election of Francois Mitterrand, and subsequently of the French Left, in 1981 was indeed a break from the patterns set by the preceding conservative governments. The sea of people who descended to Bastille to celebrate, if they did not await a magic dawn, at least perceived it differently with great expectation.

And then the Left came and won but finally dropped the anchor. In the next five years, the socialists went through a metamorphosis which has amply demonstrated as inevitable in the case of social democratic formations. If its victory in 1981 was appreciated with enthusiasm, its defeat in 1986 was greeted with indifference. The socialists' record in the first five years in office proved that what had happened on 10 May 1981 was only an election, not a revolution.

The socialists surrendered within two years to market forces and started extolling private enterprise and singing praises for profit because of the growing international economic pressure and domestic constraints. Mitterrand and his government to turn France into a socialist country required some hard decisions in the face of the growing problems of France but it appears that it preferred a compromising route.

One of the major handicaps of the left victory in 1981 was that it was neither preceded nor accompanied by a vast social movement.

Secondly, the French Left climbed into the office without any prior public discussion of the new economic predicament and its political consequences, without consulting its supporters about what was to be done when the policy of a socialist government met the inevitable hostility of its capitalist environment. Thirdly, it is not as though the socialists' governance failed to be different from a capitalist one; it would be more accurate to say that they did not exhibit any clear cut theorisation on how they would ideologically make a difference. The government failed to mobilize and activate its mass base in support of its policies. A popular wave of support might have provided the government with the much needed strength to carry out its stated vision. But the socialists and communists alike had convinced their supporters after 1968 that if there were no revolutionary shortcuts, life could be changed gradually through the ballot box. The workers were taught not to fight too much or strike too often in order to allow their representatives to win seats and obtain in parliament the same results that they would have obtained through their battles. Thus the workers were taught to speak the language not of struggle, but of "harmonious industrial relations". Thus we find that the Jean Auroux laws sought to dispel the confrontation with co-operation between management and labour.

Faced with the choice between radicalization and surrender, - a choice that no left-wing government can afford to avoid for too long - the socialists were totally disarmed. Antonio Gramsci, the Marxist thinker emphasized that the seizure of power is not a problem merely of political takeover. To be real, it must involve the gaining of cultural as well as social and economic hegemony. In

France, it was a case of electoral victory combined with ideological defeat.

Mitterrand's rhetoric was never looked upon without doubt when he wrote that the initial task of the Left would be "to break the chains of social inequality", and when he talked of "destroying capitalism and its masters" or proclaimed "that big business, masters of levers of economic and political command, remain the enemy number one, with which there can be no compromise". The doubts got cleared when, on being elected, Mitterrand presented himself, naturally enough, as the President of all the French people. This statement was interpreted as being that of a man of reconciliation and compromise, whereas it could have been interpreted as that of a partisan man representing the interest of working class movement as the superior interest of society as a whole. There seemed to be no concrete effort on his part to revive and activate his base for a movement. Although he knew that the Left, if it wished to carry out its program, would require the active support of its electorate to force the capitalist establishment to yield. If he did nothing about it, it was more a matter of tactics in tune with the social democratic reformist policies.

Mitterrand kept himself completely in tune with the social democrats of Europe, who had resigned themselves to the market forces in the long process of bitter disappointments, the collapse of the soviet model, the economic success story of western

capitalism, and the disarray of the Left when capitalism met its crisis. In the specific context of France, it involved the upheaval of 1968 which required years to contain the potentially explosive forces. And the task was finally completed when the Left in office demonstrated its inability to alter the established order.

It was this established order that prevailed in the realm of foreign policy as well. Mitterrand's foreign policy was a continuation of Gaullism. With the exception of the Siberian Gas pipeline issue, he abandoned the anti-American posture. French decision to accept the deployment of Euromissiles tell the story. Though certain overtures were made towards the third world, the center of his action remained Europe. During his tenure France came very close to NATO in order to maximize its role in European affairs. In the second cohabitation, the voice for a further integration with NATO got further strengthened. Also France remained in the major league of arms merchants, and thus the talks of disarmament were shelved too. In the final analysis it can be said that Mitterrand's foreign policy did not bring about any radical change, if at all any, it was a close proximity with American defence policy in Europe.

Mitterrand was not alone in the process where the socialists went through the metamorphosis, practically towards a kind of resignation . He included the communists in his exercise. That only showed that the entire spectrum of the Left was participating in the experiment. The fact that as long as the communists remained in

the government, they described its record as superior to that of the popular front. And when on the eve of their withdrawal they branded the government as a tool of the bourgeoisie, it did not help the cause of the Communist Party. But their participation in the government did help to discredit the idea of an alternative. The PCF's tactics of first participating in the government and then withdrawing from it under the assumption that the growing disenchantment of people in general and the socialists' base in particular would turn them to the PCF certainly did not prove to be productive. The result of the 1986 parliamentary elections recorded a further decline in popular support for the communists. Most importantly the communists lost virtually all of their ideological power. One major aspect of this was that Marxism in France, whose fortunes had always been formed by the PCF's efforts, virtually disappeared too.

The existence of a strong PCF always presented the non-communist left with a dilemma. It could refuse to have any alliance with the communists and turned towards the right for allies, but only at the cost of any reformist pretensions. Or it could deal with the communists and take their programmatic, theoretical and ideological positions seriously. Historically the non-communist Left altered between the two options. But the recurrence of the Left alliance and the persistence of the PCF's strength even when the socialists joined hands with the Right had given the French Left a commitment to a class perspective and a Marxist view of the world and at least a rhetorical commitment to socialist transformation. The

decline of the Communist Party in 1980s and the connected increase in the socialist electoral strength altered the balance of influence. The socialists found themselves free of communist pressure and when faced with difficulty in government, allowed themselves a retreat from the progressive programmes and analyses which the *Parti Socialiste* never tired of advocating. In this process the discourse of the French Left changed, and perhaps forever. The 1988 presidential elections, when Francois Mitterrand was re-elected, showed it. The presidential election and immediately the National Assembly election were different from the ones in 1981, where Marxism, class perspective, notions of socialist transition and even stress on equality and anti capitalism was on the center stage. Not so in 1988- this vocabulary was substantially diluted. French socialists, in order to gain maximum electoral support and new centralist alliances, began to preach modernization, flexibility and the competitiveness of a mixed economy albeit with a human face. The old Left discourse which sought to bridge the gap between the political goals and the constraints of the real world through voluntarist determination was overwhelmed by the logic of new economists, financiers and multinational executives. Perhaps the real world constraints were elevated to rigid boundaries of the possible.

The change in the intellectual climate of France also contributed to the events. In '*In the Tracks of Historical Materialism*' Perry Anderson opined that "in three decades or so after the Liberation, France came to enjoy cosmopolitan paramountcy in the

general Marxist universe... The fall in this dominance in the later seventies was no mere national matter... Paris today is the capital of European reaction” .¹ The defection of French Left intelligentsia from any Left project began before 1981. Marxism collapsed as a viable intellectual paradigm and much of the French Left intelligentsia indulged in anti-Sovietism and anti-socialism. In effect, the silence of intellectuals deprived the Left of important support during the brief reformist phase and when the socialists abandoned their reformism and turned towards modernization many of them were more than eager to join the bandwagon.

The search for a successful economic model and beyond led to the end of bitter division between the Left and the Right and to the establishment of a general consensus that the role of the state in the economy should be reduced in order to encourage private enterprises. It was not surprising that the socialists had come to terms with the concept of ‘consensus’. In March 1984 Mitterrand had told journalists on a breakfast meeting that “we must praise the search for compromise in all the situations”.² Mitterrand became the ardent practitioner of consensus. And in this quest for consensus, the socialists dropped not only their socialist principles, but also their Keynesian tools. And then on the government set the ball of privatization rolling.

¹ George Ross, Jane Jenson, *The Tragedy of the French Left*, London, *New Left Review*, no. 171, September/ October, 1988, p.15

² Daniel Singer, *Is Socialism Doomed ? The Meaning of Mitterrand*, Oxford, Oxford University Press, 1988, p. 197

The gradual shift of the non-communist Left towards the right and the absence of political polemics between the two, coupled with the inability of the Communists to intervene effectively created space for the various trends of reactionary politics, most notably of the National Front led by Le Pen. His extremist views on immigrants had started haunting France with racism. In 1986 he managed to send 35 deputies to Paris. And since then the support for him and his xenophobic ideas has hovered between 10 to 15 percent of popular votes.

Blurring of the distinctions between the Left and the Right also encouraged the emergence of a current of ecologism proclaiming it to be 'ni droite ni gauche' i.e. neither right nor left. But by the beginning of the 1990s a significant number of greens - especially Antoine Waechter - vigorously rejected any alliance with the Left while forging alliances with the Right-wing local administration.

On the eve of the 1993 legislative elections, Michael Rocard called for a 'Big Bang': the creation of a movement uniting all those who believed in solidarity and transformation, from ecologists to socially minded centrists to reformed communists. It invited a varied response from different quarters. Antoine Waechter called it a 'Big Mac: a piece of green lettuce between two pink slices with a topping of red tomatoes'. With Mitterrand taking a back seat in domestic policies, this was the final nail in the coffin of French

socialism. This was the willingness to abandon the label of 'socialist' and to have an alliance with the greens and the Right.

By the time Mitterrand left the scene, the split in French politics was no longer between the Left and the Right but between the supporters of Mitterrand-Balladur orthodoxy and the heretics who proposed more nationalistic policies. Mitterrand limited and diluted the space of ideology in Left politics in France. He preferred complicated maneuvers to grand designs and intricate compromises to solitary defiance. Any thing called 'Left Vision' had diminished. And for those who stormed the Bastille in 1981 to celebrate his victory and chanted 'on a gagne' [we have won], it proved that 'we have won and they will govern'.

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