

# France: Neo-Liberal Reform and Popular Rebellion

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**Tenacious and combative strikes in the public services, millions of demonstrators on the streets, broad support from public opinion: last December's events in France were a lot more than a strike, indeed it is no exaggeration to call them an uprising by the working, producing, caring, teaching population. For the past several years political pundits and sociologists have been announcing, somewhat carelessly, that conflict had given way to consensus and the classes had dissolved in the grey mass of untrammelled individualism. The clocks have now been set right: class struggle continues and collective action is not a thing of the past.**

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The popular eruption was fuelled by deep exasperation. People had endured a lot while awaiting a promised tomorrow that, like the horizon, remained forever out of reach. They had wanted to believe in automatic and irreversible progress, but had suddenly discovered, for the first time in fifty years, that the next generation would probably have a harder time than its predecessors.

Behind the December movement's specific and sectoral demands, its driving force lay in this massive rejection of a future which is no longer a future. It quickly became apparent that the strikers were fighting on everyone's behalf and that their aspirations placed a choice by society on the immediate agenda. They were struggling to resuscitate hope.

They were also expressing a loss of confidence in rulers and elected politicians, and a wish to be self-reliant. What is described as a parliamentary or political crisis looks, in reality, more like a disarray in democracy itself. The speeches of presidents and ministers, who do the opposite of what they say, are no longer believed. It is no longer possible to tell who is responsible for what, or where the real centres of decision are, what with the national state, the Brussels commission—and soon perhaps the European Bank—and the prerogatives yielded up to international institutions like the World Trade Organization. If the impersonal power of mysterious 'financial markets' must inevitably predominate, then it is no wonder that people feel under-represented and the public domain seems

drained of democratic substance.

Confronted with the total breakdown of politics, the social movement quite naturally took charge of its own destiny. There is a striking contrast between the movement's power and the absence of a political alternative. But, paradoxically, the absence of a governmental solution also meant freedom from the electoral scheming and slippery manoeuvres that so often inhibited struggles in the past.

## **Rejection of Neo-Liberal Counter-Reform**

The spark that ignited the powder-keg was the Juppé plan for reform of the social-welfare system. The Prime Minister presented this plan to the National Assembly, without any preliminary public discussion, as an emergency measure to save a welfare system threatened by its accumulated debt of 240 billion francs and an annual deficit running at 60 billion francs. This hurried reform was presented as the first element of a 'coherent' policy. Although the government soon claimed that a failure of communication had caused its intentions to be misunderstood, wageearners understood perfectly what was meant by this alleged 'coherence'.

Apart from some fairly vague tinkering with health policy, the initial version of the plan contained three sound motives for dissent. First, contrary to Chirac's promises during the election campaign, the plan was built around an increase in fiscal pressure on wages and household incomes—including those of the retired and unemployed. The proposals for 1996 are eloquent: wage earners are supposed to provide an extra 40 billion francs to finance the social-security deficit, while companies are only expected to provide five billion—half of that coming from pharmaceutical firms. The Juppé plan also instituted a new tax starting this year, the *rds* (*Remboursement de la dette sociale*, repayment of the social debt), which was supposed to apply to all incomes but in practice would weigh most heavily on working-class living standards. This made it immediately apparent that the plan was deeply unjust.

Second, under the pretext of correcting an imbalance in retirement insurance, the plan included an alteration in the standard conditions for retirement. Two years ago the unions agreed that private-sector workers would henceforth need to have been working for forty years—instead of thirty-seven and a half—before they could claim full-rate retirement benefit. The Juppé plan proposed to extend this measure to civil servants and public companies, at the same time doing away with specific arrangements like the one covering railwaymen. Train drivers do, in fact, have the right to retire at the age of fifty; what is seldom mentioned is that their life expectancy is ten years below the average for the whole population. Moreover the generalization of the forty-year retirement rule was patently absurd in the context of the alleged priority given to employment. It would compel workers whose active lives are starting later than they did in the past to continue working until the age of sixtyfive or over, blocking employment opportunities for the young. Behind

the apparent economic irrationality, the measure makes it clear that employees will practically never be able to claim full retirement benefit, and will have to resort increasingly to private insurance and pension funds to make up the difference. Although they were accused of defending a privilege, the demonstrators and striking public-sector workers were really showing solidarity with the private sector by demanding a return to thirty-seven and a half years for all.

Finally, although apparently 'technical', a third aspect of the plan may be the most important, as it signifies a change in the nature of the social security system established after the Liberation. Social security was originally conceived as a sort of general workers' friendly society financed by the members' contributions. That is why the law gave a 'preponderant' role to the trade unions in its management bodies. The system was subsequently modified—through the statutes of 1967—to establish a tripartite management by the unions, the state and the employers. But the principle of a solidarity fund, in which wage-earners place their 'deferred income' to finance their health care and retirement costs, independently of changes to the parliamentary majority or budgetary juggling by the state, was maintained. The deduction for social security still appears on payslips today as a 'contribution', not a tax. However, the Juppé plan proposed gradually to transform this contribution into a tax, paid directly to the state under the heading of the *csg* (*Contribution sociale généralisée*) instituted by the Rocard government. Overall health spending would thus become subject to an annual parliamentary decision in the same way as other budgetary choices. Amusing as it may be to witness liberals handing over to the state the management of a social-security budget as large as its own budget, this fiscalization means rationing of health expenditure and the straightforward theft of the workers' indirect wages.

Nobody is denying that reforms are needed. But the Juppé plan was presented, without preliminary public debate on a level appropriate to the issue, as the only possible reform. The social-security system's 240 billion franc debt—the state itself incidentally owes more than 300 billion—was invoked without any serious effort to examine its causes. Increasing health costs were bewailed, but nobody mentioned that a large chunk of the increase was due to physical and psychic pathologies stemming from unemployment and exclusion. Of course in reality the main reason for the deficit is the growth of unemployment, leaving the social security system short of more than three million contributors. Then there are the debts of the state and the defence ministry, the billions in unpaid employers' contributions, the social payment concessions given to companies to encourage them to create jobs which never materialized, and de facto subsidies to specific categories in deficit—for example peasants and artisans—financed by the employees in general. Similarly, the problems of financing have not been seriously debated. For example, it is true that requiring employers to make part of the social-security contribution favours capital-intensive enterprises over labour-intensive ones.

But it would be quite possible to correct this perverse effect by levying a

social-solidarity tax, paid directly to the social-security system, on high value-added enterprises and financial revenues, without undermining the original principle of finance through contributions.

The Juppé plan was thus perfectly understood as a counter-reform, destructive of established benefits and social bonds. Moreover, the strikers and demonstrators quickly established a connection between this plan and the threat to the public services, represented by a 'draft plan' for the railways proposing the closure of lines deemed unprofitable and the sacrifice of railways to roads, plans for partial or total privatization of railways, telecommunications and energy, and hospital reforms favouring private clinics at the expense of public hospitals. From the issue of defending social security, the mobilization grew within a month into a movement of general opposition to commercial globalization and the neo-liberal offensive, and their effects.

### **An Unprecedented Movement**

Public-transport workers—both national and municipal—were the tough and spectacular nucleus of the strike. In other sectors, like electricity, health, education, the mail and the civil service, the movement was more sporadic, alternating one-day stoppages with demonstrations. Student participation was very patchy, the student movement did not play a leading role. Lastly, despite signs of sympathy and fraternization, the private industrial sector, intimidated by the threat of unemployment, did not take a direct part in the struggle. But it did show solidarity by joining the demonstrations.

Another characteristic of this movement was the giant demonstrations, especially in the provincial cities—though Paris was worst hit by transport difficulties: more than 100,000 in Marseilles, 80,000 in Toulouse, 50,000 in Bordeaux, where Juppé is mayor, 60,000 in Rouen. In some medium-sized towns with populations of a few thousand, like Roanne, Annecy or Quimperlé, a third of the total population took to the streets. Although it is too soon to measure the phenomenon fully, it is quite certain that nothing like that had been seen before, not even in 1968.

Crowds on that scale indicate clearly that the mobilization had gone well beyond wage-earners and acquired the dimension of a broad popular uprising, in which the relationship between the provinces and the capital was overturned for the first time. That 30,000 people took to the streets in defence of women's rights on 25 November is an eloquent indication of fundamental change in French society.

Throughout this trial of strength between two worlds—the microcosm of politics and the media, and the people—which no longer speak the same language, the majority of 'public opinion', despite the inconvenience caused by the total paralysis of transport, supported the strikers to the point of accepting as legitimate the demand for payment while on strike! Confronted with this flood-tide, Juppé—at first arrogant and inflexible

—was forced to retreat. The government first made budgetary promises to the student movement in an attempt to separate it from the workers.

The issue of retirement benefits was dissociated and set aside. A commitment was made to respect the specific status of groups like the railway workers. The draft railways plan was 'frozen'. All of this can easily be reconsidered as soon as the workers drop their guard. Nevertheless, the strikers and demonstrators were left with the taste, not of defeat, but of qualified victory. They might have obtained even more were it not for divisions in the trade union movement that left the government a margin of manoeuvre. Despite its massive scale, this struggle hardly gave birth to grassroots forms of unitary self-organization. Although the union confederations—the cgt and Force Ouvrière in particular—found themselves side by side in the streets, there was no trade union front capable of putting forward an overall strategic timetable of mobilization or presenting a platform of common demands.

The affair is not over, however. As the mobilization grew, new demands kept emerging: on wages, on working conditions, on employment, on flexibility. A 'social summit' on employment between government and unions, organized in panicky haste, came up with nothing concrete. Juppé faces an explosive social timetable in the coming months. He is committed to three further meetings on working time, youth employment and family policy. He is going to have to specify the ways in which his plan, or what remains of it, will be implemented. The retirement issue will reappear on the agenda, along with the draft plan for the railways and, most importantly, the proposals to privatize France-Télécom in the spring. Against a background of recession, there is only the narrowest of paths between reducing deficits, which strangles consumption, and the need to stimulate recovery to avoid a further steep rise in unemployment.

## **The Wall of Maastricht**

Far from shackling society to archaic patterns, the popular mobilization is in fact attuned to the future, to a dynamic of reforms appropriate to a society based not on the competition of all against all, but on a right to a decent existence—to employment, housing, health and education—which would have some priority over the rights of property and finance. They are two opposed rights. And this is where the decisive choice really lies: between the neo-liberal counter-reform and a different direction for society, indissociably national and European. Putting the needs of the majority above unbridled competition leads to a reassessment of the way Europe is being constructed, all the way from the Single Act to the single currency.

Of course the issue of public-sector deficits and state indebtedness—including that of the United States and Japan—would still have to be faced, with or without Maastricht. But the frantic pursuit of criteria for 'convergence', and the hurried countdown to a single currency, are imposing the worst solutions. Currency is not a robot fetish but an

expression of social relations. To try to construct Europe through monetary restraint and financial deregulation is to approach the job back to front. The recourse to the financial categorical imperative as a way to discipline national economies is actually setting the European project back. The effect is a restricted monetary Europe, a small club of a few countries clustered around the Deutschmark. This club does not even deserve the name Europe.

To set European construction straight, one would have to start at the foundations. With, on one hand, the definition of a political Europe based on democratically debated and agreed subsidiarities, and on the other, with the creation of an area of European social convergence: the gradual harmonization of wage levels, social benefits and rights; a concerted and coordinated reduction in working time to generate jobs; and the launch of major reconstruction, on a continental scale, of public transport services, telecommunications and energy. The choice is not limited to a liberal Europe running into a wall or withdrawal down the nationalist-populist blind alley. A different Europe, democratic and social, could obtain the popular legitimacy whose absence is so glaringly apparent in the case of Maastricht policy.

### **Consequences for the Political and Trade Union Landscape**

Many observers have remarked that this movement lacked a political outcome. On the Left the Socialist Party, busy digesting its six years of faithful management service to capital, has shown exemplary discretion and refrained from suggesting any kind of solution. Jospin remained practically invisible throughout the conflict, imprisoned by a European project and Treaty of which social democracy, along with the moderate liberals, had been the most zealous architect. Things are not all that different on the Right. Harassing fire has been directed at the Prime Minister by Balladur as well as Pasqua and Seguin. But their proclamations on the need for 'a different policy' sound hollow, for what is meant is not just another method of government based on dialogue, or a better balance between austerity and reform, but an outright inversion of social priorities in direct contradiction to the convergence criteria. A different policy would thus mean a painful revision of the European project, something neither the right-wing majority nor the Socialist Party is prepared to risk.

The National Front might have been expected to use the events to make some sort of populist capital. What it actually did was to condemn the movement and oppose it openly, striving without success to rouse the 'users' against the strikers. There remains the possibility, however, that it may still profit electorally from the discredit of the parliamentary Right and the paralysis of the Left. In the end, thanks largely to the role played by the cgt, the Communist Party may be the only major party to have emerged unscathed, while carefully avoiding any move that might widen the latent political crisis. Under these conditions, the social earthquake will not lead to any immediate upheaval on the political

scene, but rather to sporadic, partial and molecular changes.

The main changes, which are already apparent, will affect trade unions. When the movement started, superficial commentators were harping on the unrepresentative nature of French trade unionism. In fact union membership, with around ten per cent of employees unionized, is at a low ebb. But it is a militant minority, and every professional election confirms the representativeness of the confederations.

It seems more than likely that the December strikes will cause a significant movement towards reunification; but they have also caused considerable changes to the trade union landscape. The confederate leadership of the cfdt, headed by Nicole Notat, openly acted as strikebreakers in order to become the government's privileged interlocutor.

On the other hand, Force Ouvrière (fo), the traditional representative of this collaborationist, responsible, 'constructive' trade unionism, appeared extremist for reasons which are not necessarily all that noble. The Juppé reform of the social-security system has broken this union's hegemony over the running of health-insurance funds, from which fo used to draw a significant proportion of its resources. The December ordeal will have lasting consequences for these two confederations. In the cfdt, an opposition consisting particularly of the transport federation and some of the big regional unions is calling for an extraordinary congress. The fo congress, scheduled for two months hence, will see a moderate candidate opposed by an alliance between Marc Blondel, the Gaullist who took a leading role in the strikes, and the Lambertist militants—Lambert being one of the historic leaders of French Trotskyism. In the final analysis it was the cgt, whose congress took place in the middle of the events, which made a show of strength and projected the image of a combative union.

Perhaps most important for the future, however, is the assertion of an autonomous—but not sectional—trade unionism, of which sud (Solidarité, Unité, Démocratie), established in the post and telecommunications industry, is probably the best example. This union emerged in 1988 after an exclusion from the cfdt; independent and democratic, animated by leftist militants, it very quickly became—with nearly 30 per cent support in the professional elections—the second biggest force in telecommunications, close on the heels of the cgt, at a time when the cfdt was collapsing. In the December movement sud, along with other autonomous unions, like the tax officials' union, played a role extending well beyond its specific area, and is preparing to challenge the threat of privatization that hangs over the profitable public company France-Télécom.

The other major development is a clear inversion of the balance of forces among the teaching unions. Three years ago, the social-democratic leadership of the fen (Fédération de l'Éducation Nationale, with about 400,000 members) engineered a split, fearing that it would be put in a minority by the rise of elements close to the Communist Party, especially in lycées and colleges. The split produced two federations, the

rump of the fen and the new Fédération Syndicale Unitaire (fsu). This enabled the fen to retain its hegemony among primary schoolteachers. In the struggles last December, however, the fsu marginalized the fen completely. Already predominant in secondary and higher education, it is now certain to become the majority union among primary teachers. Given the specific influence of unionism in education, the fsu, run mainly by the Communist Party and far-left militants, played a positive role in the movement by trying to assemble the common unionist front that was so sorely needed.

### **Response of the Intellectuals**

Lastly, the bashful silence of the politicians made a space for the remobilization of 'intellectuals', reputed to have become depoliticized and indifferent.

This resulted in two completely contradictory calls. One, made on the initiative of the review *Esprit* and signed notably by the sociologist Alain Touraine, the philosopher Paul Ricœur and the modernist 'deuxième gauche' inspired by the Fondation Saint-Simon, extolled throughout the 'courage of Nicole Notat' without taking a clear position on either of the two main questions—support for the strikers and rejection of the Juppé plan. The second appeal, made by Pierre Bourdieu and others, urging active political and material support for the strikers and their demands, was widely heard and well received.

Last December's strikers and demonstrators proved that it was possible to make the government back off, to resist the effects of commercial globalization, to stop the liberal offensive in its tracks. The events have created a new situation in which the old and new are entangled. The popular mobilization is inventing its own future. It has outlined a possible alternative to the dictatorship of 'financial markets' and the reign of inhuman competition. There has already been much speculation on the significance of this social explosion. A lot of journalists want to see it as the last archaic strike of an era which is ending. Why should it not be the first great anti-neo-liberal strike of the coming century?

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### **P.S.**

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