# Social polarisation grows in France under Jospin government

**Pierre Blanc**
**16 July 1998**

One year ago, Socialist Party leader Lionel Jospin was elected to power in France. He became prime minister in June 1997 after a snap general election called by President Jacques Chirac. Just weeks before, faced with a wave of militant struggles by working people, Chirac had dissolved parliament. He calculated that a new election would give the conservative coalition of Alain Juppé a fresh mandate to push through a program of privatisation, deregulation and cuts in public spending.

Instead the French population voted in the Socialist Party (PS), at the head of a coalition government including the French Communist Party (PCF), the Greens, the Left Radicals and the Citizen's Movement (a split from the PS). This victory was secured in large part on the basis of Jospin's promises to tackle unemployment, particularly amongst youth, reduce social inequalities and introduce a 35-hour working week.

After one year, what has been the experience of the Jospin government? Only a thin layer of the super rich and upper middle class has benefited. Millions of ordinary working people who thought that a Socialist Party government would mean a change from the attacks carried out under the previous conservative regime have seen their hopes disappointed.

The gap between rich and poor has widened considerably. The *Guardian* newspaper recently reported, 'since Lionel Jospin became Prime Minister a year ago ... the country's wealthiest woman, Liliane Bettencourt, has increased her assets by more than £2 billion. Other fortunes rose by as much as four times while the number of workers earning the minimum wage or less went up.'

At the same time as the fortunes of France's billionaires have skyrocketed, the government only allowed a £10 per month increase of the minimum wage. Some 2.2 million workers, or 11 percent of the population, now earn the minimum wage of just £535 a month, and more than half of the 3.5 million workers on part-time or job-share contracts earn far below this level.

Last month when the question of the tax on wealth was discussed in parliament, Jospin vigorously opposed any higher taxation of the rich. Presently only 81 billion francs are collected in taxes from the wealthly, while the revenues from income tax collected from mainly working class and middle class earners amounts to 300 billion francs.

Jospin has broken the promises he made to the working class during the election campaign. He had promised to introduce a 35-hour week with no loss of pay. Shortly after the election he announced that this was 'anti-economic', that it would not be implemented outside negotiations with individual employers and only for those companies that could afford it. The version that has finally been agreed upon foresees attractive financial incentives for the employers and provides numerous ways for them to circumvent the legally prescribed length of workers' rest time.

His election platform contained a promise to tackle unemployment, especially amongst youth. However, all that was created were a few hundred thousand temporary and dead-end jobs at minimum wages. One year after the election, and despite this 'job creation', unemployment is still roughly the same: 3,052,000 in June this year against 3,200,000 last year, or 11.9 percent of the population. According to the Organisation for Economic Co-operation and Development (OECD), France's 'structural unemployment' increased from 9.3 percent to 10.2 percent between 1990 and 1997. The *Economist* wrote that this would not decline until France 'loosens their labour market's famously stiff joints by cutting minimum wages, making hiring and firing easier, reducing payroll taxes and so on.'

Another plank of Jospin's platform was the 'fight against racism'. The government passed a new nationality law, but this is merely cosmetic as it leaves in place the immigration laws introduced by previous Interior Minister Charles Pasqua, a notorious reactionary. These laws deprive millions of the possibility of living legally in France. As for the measures promised to legalise the residency of hundreds of thousands of 'illegal' immigrants, only a few thousand were granted a stay. The Socialist Party-led government soon resumed the practice of deporting immigrants by force. As protests against this developed, the present Interior Minister Chevenement had dozens of demonstrators--French and foreign alike--arrested. Police in riot gear raided churches where some of those protesting for legal status had taken refuge.

On his recent visit to the US, Jospin indicated that further cuts in social spending can be expected. 'My view of the United States has changed,' he said on his first official trip to America. He told the press that France could 'learn much' from the policies of the Clinton administration.

The French capitalists are confronted with the necessity of strengthening their ability to compete on the world market. This demands fundamental changes in the economy and the abandonment of state-run welfare provisions. Hence Jospin's praise for 'America's economic dynamism', based as it is on deregulation, workfare schemes and labour flexibility.

A recent article in *Business Week* magazine, 'France--a quiet revolution', reported that sections of French capitalists are now pushing for the total dismantling of the state-run sector of the economy, its restructuring and opening it up to international competition.

Around a quarter of French workers are still employed in state-owned companies, with relatively protected wages and working conditions. 'Until now, efforts to modernise its distinctive model of a state dominated economy amounted mainly to privatising the largest companies. Now the forces of globalization, technology and deregulated markets are encouraging reform-minded French people to change the system itself.'

*Business Week* notes, 'Those in the front lines are entrepreneurs, shareholders, activists and venture capitalists. But their ranks also include government officials, labour leaders and industry bosses.... After one year in office Jospin has begun injecting the concept of 'modernising France' into his speeches.'

The major objective of Jospin's policy is to prepare France for the financial changes European Monetary Union (EMU) will bring. The single currency begins next year with the introduction of the euro. It will accelerate the restructuring of industry, banking and finance, leaving only the biggest conglomerates and banks to compete with their international rivals.

Only one week after taking office Jospin signed the 'stability pact' at the European Union's Amsterdam summit, which pledged all governments to strict savings in public spending. One of the first measures taken by the new government was a 'public finance recovery programme.' Totalling 32 billion francs (£3 billion), one-third was obtained through straight cuts in public spending and two-thirds through a one-off increase in certain corporate taxes. Despite the measure's unpopularity with business, it enabled Jospin to bring public spending under control--a break with past government practice--and meet the criteria for EMU set out in the Maastricht Treaty.

Jospin has accelerated the programme of privatisations. After only three months in office he had privatised France Telecom, the arms company Thompson-CSF and the insurance group Gan. Now he is carrying out the privatisation of Air France, the electricity concern EDF and the railway company SNCF. This will bring with it the loss of thousands of jobs, as well as wage cuts.

See Also:
*Ten months of the Jospin government in France*
Why are the fascists gaining influence?

[28 April 1998]