

France: Raffarin government begins budget-cutting measures

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14 August 2002

Having promised major budget cuts, Jean-Pierre Raffarin, French President Jacques Chirac's prime minister, has failed thus far to clearly outline his government's spending program and has mainly revealed details on decisions involving relatively modest sums. Even the small bits of news that the government emits, however, continue to turn public opinion against it.

The decision to cancel the 2004 international exposition on computer-generated images in the district of Seine Saint-Denis, on the grounds of excessive costs, hits the poorest region of the Paris area. The 395 million-euro project would have created jobs in transportation and construction and increased restaurant revenues. Even though the press mentioned inhabitants "who preferred to remain anonymous" and who claimed they "understood" the government's decision, the interviews hinted at the opposition which the decision must have provoked: restaurant owners complained of lost revenues and district officials defended their preparations for the exposition, which Raffarin had attacked as insufficient.

In a calculated insult, a parliamentary night vote raised ministers' salaries by 70 percent—even though the government's first gesture in power was to refuse to give the traditional increase in the minimum wage. Raffarin initially denied that he had the slightest intention to seek a raise for the ministers (the denial was even "firm, definite, and precise"), and then announced he was "leaving it up" to parliament.

François Fillon, minister for social affairs, attempted to minimize the affair's importance, noting that the "equalization" across different minimum wage scales announced by the government would give some workers a raise of up to 12 percent. Fillon had to soften even this feeble reply to please business circles, adding

that the state would bear the burden of the wage increase by decreasing payroll taxes for companies who give jobs to minimum-wage workers.

The established left barely criticized the right. François Hollande, secretary of the Socialist Party (PS), said that the right had not chosen "the right time" to grant the ministers' pay raise, adding that if the left had stayed in power it was "not completely impossible" that it would have done the same. In an editorial, the center-left newspaper *Le Monde* wrote that it considered the measure justifiable, but it decried the bad publicity the politicians were giving themselves: "If public opinion takes this decision badly, politicians will have only themselves to blame."

The prime minister's "ceiling-letters," which tell each minister his budgetary limits for 2003, gave another example of the new government's style, a combination of arrogant provocation and clumsy dissembling.

The press gave many details about the first set of letters, sent on August 6. It mentioned important budget cuts in transportation (railway and highway upkeep), in housing (cuts in spending on state-subsidized housing in poor areas) and research and higher education. In favoring the police, the justice system and the armed forces, Raffarin announced his decision to spend less on "everything for which French people have no use." He also mentioned the possibility of not replacing government workers as they retired, bringing up the subject (i.e., the treatment of government workers), which touched off the general strike of public sector employees in 1995.

From August 6 to 9, when the final "ceiling-letters" were sent, there were no details on the government's plans. Just before leaving for its August vacation, the government sent the letters to the ministers, adding that

there would be no “global declaration” on the letters’ contents before the government returned in September. The transport minister and the minister for research both firmly denied that their budgets had been cut—of course, the Raffarin government’s assurances, as has already been seen, do not carry great weight. In the meantime, there has been a deafening silence on the content of the letters: according to the newspaper *Libération*, “Unlike the usual, nothing has come out about the government’s intentions.”

According to Raffarin, the decisions had been particularly “rough.” Having decided to decrease government revenues with a 5 percent income tax cut—and seeking to increase spending on the judiciary, police and armed forces—the government must make significant reductions. In any case, Raffarin announced that he would make no comments until the next meeting of the Council of Ministers, on September 18.

The last time the government clearly expressed its political program, during the declaration of general orientation of July 3, the government’s official popularity ratings rapidly fell. The near total silence on the ceiling letters’ contents is an attempt to protect the government from public opinion and buy it time as it decides how to push through its austerity policies.

Indicating the frustration and siege mentality which are spreading in government circles, the right-wing newspaper *Le Figaro* wrote, “If he wants to win, Raffarin ... must make reforms, but without really looking like he is—opposition is that strong.” The unclear and contradictory comments of union officials and in the press concerning the planned privatizations of Air France, Electricité de France (EDF) and Gaz de France (GDF)—the national electricity and natural gas companies—demonstrate the unease of the government, the CEOs and the union tops.

Le Monde quoted CFDT and CGT union officials at Air France who disingenuously claimed that “we don’t know whose interests Air France [privatization] would serve” or that such privatizations would be “useless.” *Le Monde* concluded that unions were not “openly hostile” to privatization. Only two sentences later, *Le Monde* quoted a union official who gave expression to employees’ fears, saying that Raffarin “seems to favor the unfair competition of low-price airlines.”

L’Express perhaps provided the most blatant example of self-contradiction in its articles concerning the

privatization of EDF. In an interview with François Roussely—the executive installed by the former government of PS (Socialist Party) Prime Minister Lionel Jospin to oversee the privatization of the electricity company—the journalist remarked that EDF workers “are not hostile to the opening [of EDF’s capital to the private sector].”

At the same time, *L’Express* published the results of an opinion poll carried out for Roussely which directly contradicted this claim, reporting that 51 percent of personnel were opposed to opening up EDF’s capital, 64 percent declared that they were ready to strike, and 71 percent that they were ready to demonstrate.

The Raffarin government is caught between the increasing opposition of the working class and the insistence of ruling circles that it maintain its policies. Despite its attempts to hide or confuse the public as to its intentions, the government will find it increasingly difficult to cover up its politics of austerity and repression.



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