

French referendum on European constitution set for May 29

Richard Dufour
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The date of the referendum on the European constitutional treaty has recently been the subject of considerable speculation in the French press. According to reports, ruling circles are divided. There are the advocates of a “lightning campaign” that would attempt to steamroller the “No” vote and capitalise on the “Yes” vote in Spain, and advocates of a longer, “educational” campaign, necessitated by the undeniable fact that there remains widespread popular opposition to the treaty.

French President Jacques Chirac last week decided in favor of the second option. The May 29 date for the referendum will mean a campaign of 85 days, one of the longest for this type of popular consultation.

The very conservative Chirac and his right-wing government can count on the support of the leaders of the majority Socialist Party (PS), since a broad consensus exists within ruling circles over his orientation towards Europe. The “No” camp, on the other hand, covers a broad political range, from the neo-fascist National Front of Le Pen to the self-styled extreme-left groups (Ligue communiste révolutionnaire, Lutte ouvrière), the Stalinist French Communist Party and certain elements in the Socialist Party.

The fact that Chirac opted for a longer campaign shows that the French ruling class—which, together with its German partner, is pushing for the construction of a “strong Europe” as a counterweight to American geopolitical hegemony and as the main weapon against the living standards of workers throughout the continent—is aware that a “Yes” is far from certain, despite opinion polls that show the referendum being carried.

The assault by the Chirac government on the public service and its attempts to “liberalise” the labour market, that is, to remove every restriction on the accumulation of profit at the expense of the workers, continues to fuel a strong movement of protest throughout the country; there

is a movement against privatisation and the export of jobs, a revolt among high school students, etc. Great numbers of people facing an increasingly precarious financial situation must wage a never-ending struggle just to make ends meet.

The dilemma facing the ruling elite in France—and Europe—was summed up by the influential daily *Le Monde* in a dramatic catchphrase: “Each social conflict contains the seeds of a rejection, even a hatred, of Europe. Unemployment is rising again? Europe. A production plant moving out? Europe. A post office closing? Europe. Stagnant wage levels? Europe. High cost of living? Europe.”

Concerns such as these are, however, well founded. Between growing economic uncertainty and the concerted efforts of the European elite to drive social conditions downward, there is a direct link that *Le Monde* attempts to obscure with its caricature.

The employment situation is extremely serious—not only in France but also in Germany. Unemployment has passed 10 percent in the former and 12.6 percent in the latter. Of French workers who have a job, 20 percent are not covered by any sort of contract. Long-term unemployment (lasting more than a year) has grown in France by 5.6 percent in 12 months, and very long term (more than three years) by 5.3 percent. Joblessness among those under 25 has risen from 9.8 percent in 1975 to 21.8 percent today.

At the same time, the big enterprises quoted on the CAC 40 (Paris stock exchange index) are posting record profits. The chief economist of French bank la Caisse des dépôts, Patrick Artus, commented: “According to our studies, half the increase in profits comes from the distortion of revenue distribution, to the benefit of capital and to the detriment of labour.” He cites the fact that in 2004 productivity rose by 1.8 percent, but real wages by only 0.5 percent. “The other half of the increase in profits

comes from the reduction in costs brought about by factories moving elsewhere,” he added.

Central to the plan for an integrated capitalist Europe—the object of the May 29 vote—is expansion into eastern Europe, in the context of the common campaign by the ruling classes to reduce social conditions across the whole continent to the appalling level of the more backward economies of the east.

The inevitable consequences, which are already having an impact, of this expansion, are precisely what Artus referred to in explaining the sharp rise in profits: greater inequality of income “to the benefit of capital and to the detriment of labour” and a transfer of production to the east, where labour laws are most favorable to large enterprises and worker protection is virtually nonexistent.

This process is well underway in several sectors of the economy. The number-one global producer of home appliances, the Swedish company Electrolux, announced February 15 that “about half the factories we have in the rich countries—15 out of 27—will be relocated.” The other manufacturers have also announced the shutting down of factories or a reduction in the number of employees in western Europe and the construction of facilities in Poland, Hungary, the Czech Republic and Romania. These countries will soon produce most of the 12.8 million home appliances sold each year in France. A similar development has taken place in the auto industry: In the next 10 years, Slovakia will become the leading producer of automobiles per head of population in the world.

France is also the third-largest trading partner of Poland, the biggest of the countries of eastern Europe that most recently joined the European Union. With 13 billion euros invested in Poland (90 percent by big telecommunications, manufacturing and energy groups), France tops the list of foreign investors there.

In the same vein, the current European Commissioner for Regional Policy, Danuta Hübner, who is herself Polish, has stated a desire “to facilitate the relocation of factories in the heart of Europe” so as to prevent companies from leaving for “India or China,” where there are tens of millions who will work for poverty wages. The countries of eastern Europe are destined to play a similar role, providing a pool of cheap labour.

This reorganisation is driven by powerful objective forces associated with the globalisation of the economy. The aim of the constitutional treaty is to give this process the force of law, which will be used in turn to block the inevitable mass opposition to the devastating effects of a

more integrated capitalist Europe freed from all necessity to guarantee a certain level of social well-being.

This is what explains the polemic around the Bolkestein directive, named after the European commissioner who sponsored it. It puts forward a principle known as “country of origin,” according to which a company investing in a country of the European Union would be subject to the social standards in effect in the country where it is based. In this context, it has been suggested that French firms might move their headquarters, for instance to Poland, and thereafter apply Polish labour laws in France.

Because of its explicit content, this directive has become a symbol of the ferociously antisocial, neo-liberal nature of the European Union—and a problem for the assiduous promoters of this project, such as Jacques Chirac and certain social democratic deputies in the European parliament, who have recently mentioned the possibility of a withdrawal of the directive, safe in the knowledge that the chance of this happening is zero.

With the official launch of the referendum campaign, French workers must keep in mind a basic fact: The economic integration of the European continent is an objective tendency that contains a profound potential for social progress. But if this necessary task is left in the hands of big European capital, as would be the case with the constitution that will be put to the popular vote on May 29, the only outcome can be a deep deterioration in the living standards of workers in France and throughout the continent.

The legitimate and necessary opposition to the constitutional plan of big European capital cannot be based on the retrograde and reactionary defense of “French-style” capitalism or a mythical “social Europe.” It must be anchored in the perspective of the united socialist states of Europe, in the context of a common struggle with the international working class to rebuild society on the basis of human need and social equality, not the accumulation of individual profit.



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