

Sarkozy's “new capitalism”

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At an international conference in Paris held on January 8, French President Nicolas Sarkozy lashed out against what he called “finance capitalism.” Sarkozy declared that the dream of globalisation had vanished on September 11, 2001. “One had expected competition and abundance for everyone, but instead one got scarcity, the triumph of profit-oriented thinking, speculation and dumping,” he said.

However, Sarkozy continued, the crisis of “finance capitalism” was not a crisis of capitalism itself. Anti-capitalism was a dead end, he declared, the negation of everything bound up with the idea of progress. One had to morally shape capitalism and not destroy it. The task was to restore the balance between the state and the market. The current crisis represented the end of “the illusion of public impotence.” The most important fact of the present crisis was the “return of the state.”

Sarkozy was speaking to an illustrious audience. Attending the conference, entitled “New World, New Capitalism,” were German Chancellor Angela Merkel, former British Prime Minister Tony Blair, the heads of the European Central Bank and the World Trade Organisation, three Nobel Price-winning economists and leading trade union functionaries. In general, they all agreed with Sarkozy, although they expressed themselves less graphically.

Chancellor Merkel demanded “new regulation of international financial markets and institutions” and said that this time she would remain firm should financial market players try once again to prevent politicians from implementing new regulations.

There is nothing progressive in Sarkozy’s promise of a morally renewed capitalism. The turn away from the ideology of boundless deregulation is not a step towards greater democracy or equality. The state whose

influence Sarkozy intends to increase is the capitalist state. It defends the interests of big business, not those of working people.

By “return of the state” Sarkozy does not mean the subordination of private profit interests to the requirements of society as a whole. He intends to place French corporations under state protection in order to strengthen them in the conflict with the French working class and their international rivals.

This type of state intervention has a long tradition in France, going all the way back to Jean-Baptiste Colbert, the finance minister of Louis XIV in the 17th century. Under President de Gaulle in the 1960s, important sectors of industry, such as the automotive and airplane industries, were developed under state direction, while the working class was repressed. In the 1980s, President Mitterrand temporarily nationalised the steel industry in order to implement rationalisation and mass redundancies.

The state capitalism which Sarkozy advocates is closely bound up with protectionism and corporatism. The state extends its protecting hand over national concerns, secures their profits with public funds, helps them dismantle jobs and wages, protects them against takeovers by foreign companies and strengthens them in their struggle against international competitors.

Due to the close interlinking of the state and corporate interests, every economic conflict threatens to expand into a political conflict. This can currently be seen in the gas conflict between Russia and Ukraine. It is then only a further step from a political to a military conflict. It may have been accidental, but it was nevertheless highly symbolic that the conference on a “New Capitalism” took place in the Ecole Militaire, the French military academy.

The multi-billion-euro financial packages which have been made available by the French and German governments to bail out their respective banks and corporations are closely bound up with protectionist measures. France has drawn up a 20-billion-euro state fund to protect major French companies from foreign takeovers. For the same reason the German government has assumed part ownership of Commerzbank and plans to take over Hypo Real Estate.

Following the “New Capitalism” conference, Merkel and Sarkozy met in the Elysée Palace to discuss measures to protect their domestic automotive industries. It was later declared that in light of the aid extended by the US government to the American auto industry, it was necessary to provide comparable aid to European carmakers.

An important aspect of the Paris conference was the sharp attacks made on the US. They were dressed up in the form of an appeal to the new president, Barack Obama, from whom European governments hope for a change of course in foreign policy. Nevertheless, Sarkozy made it quite clear that he is no longer prepared to accept the economic domination of the US.

“In my political life I have always stood for a very close alliance with the United States of America,” he said, “but one thing has to be clear: In the 21st century, there can no longer be a single nation that can say what we should do or what we should think.”

He became even more explicit, openly attacking the economic domination of the US. “We do not accept the status quo, we do not accept the lack of flexibility, we do not accept a return to a uniformity of thinking,” he said. “At Bretton Woods in 1944,” he continued, “there was one currency (the dollar), the economic prosperity of the world depended on this currency. In 2009 there is no longer one currency, there are many. We should discuss how each of us is managing his currency, his interest rates. It can no longer be the case that one country tells another: ‘Pay our debts’. There can no longer be just a single model.”

Sarkozy and Merkel are assured of the support of the

trade unions for their current course. Amongst the participants at the conference was the general secretary of the European Trade Union federation, John Monks. French union leaders have been regular guests at the Elysée Palace and the Labour Ministry in the Rue de Grenelle since Sarkozy took over the presidency.

In order to defend national companies, the trade union bureaucracies are ready to support and implement every attack on the wages and jobs of their own members. Under conditions of trade war, they stand unconditionally behind their own bourgeoisie. As the state and big business draw closer together, the trade unions close ranks with the state.

Leon Trotsky drew attention to this process seventy years ago on the eve of the Second World War. He wrote: “The capitalist cliques at the head of mighty trusts, syndicates, banking consortiums, etc. view economic life from the very same heights as does state power; and they require at every step the collaboration of the latter. In their turn, the trade unions... have to confront a centralized capitalist adversary, intimately bound up with state power. Hence flows the need of the trade unions--insofar as they remain on reformist positions, i.e., on positions of adapting themselves to private property--to adapt themselves to the capitalist state and to contend for its cooperation.” (*Trade Unions in the Epoch of Imperialist Decay* (1940))

The working class must decisively reject such a nationalist course which can only end in a social and political catastrophe. It can defend its interest only by uniting internationally and struggling for a socialist alternative to the crisis.

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